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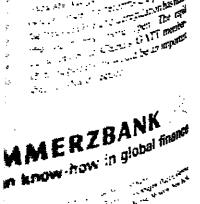
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Weekend Section 2

as Berlusconi's

troubles mount

The Italian lira hit a record low against the D-Mark

embattled prime minister Silvio Berlusconi, who

faces interrogation - probably this weekend -

Sony's Moritz steps down as chairman:

Sony into an international operation with annual

Bock's Advanta selis hotel chain: Lonrho

chief executive Dieter Bock's company Advanta

his outside interest, Page 13

operation. Page 12

deficit. Page 2

FT-RE 100 Index

Figurity movements.

3,140 3,120

3,100 -

3.040 ----

3,000 21 Nov'94

were promised. Page 28

Bristol Evening British Gas Cleveland Trust

Correveil Perker DAS Data

Dart Fleming High I

lvory and Sime Latham (James)

Frankfurt (69) 15685150

Halifax Household Mortgage

Companies in this issue

3.080 -

3.020 -

in the Gdansk shipyard.

sales of almost Y4,000bn (\$40.63bn) a year. Page 13

Management sold its majority stake in Kempinski,

the German hotel chain, to Thai hotel company Dusit Sindhorn. Mr Bock had promised to dispose of

Volkswagen shares dropped in Frankfurt as the company unveiled plans to slash capital investment

Rwandan refugees killed: Zairean troops killed

and reports started circulating about an internal

profits forecast. Page 13; World stocks, Page 15

at least eight Rwandan refugees, including four

children, when they opened fire at a camp north

North West Water Group, Britain's second

biggest water group, is linking up with Bechtel of

the US to develop worldwide water and waste-water

operations and create a substantial North American

Two die in concert fire: Polish police believe

Iberia strike pressure mounts: Workers at

strikes next week unless management withdraws

chancellor-designate Franz Vrantizky unveiled a

third successive coalition government between his Social Democrats and the People's Party and said

Polis point to Delors: European commission

president Jacques Delors leads conservative pre-

in the French presidential race, according to the

Hong Kong inflation eases: Hong Kong is

8.5 per cent to 8 per cent, leaving predicted eco-

second opinion poll this week to put Delors ahead.

mier Edouard Balladur by 51 per cent to 49 per cent

expecting its lowest annual inflation rate since 1988.

The government reduced its inflation forecast from

nomic expansion unchanged at 5.7 per cent. Page 3

almost 100 points on the week. Page 25; Lex, Page 28

Few favour privatisation: Only 60 of the 15,400

tion paper on the Post Office favoured privatisation,

lvory and Sime, the Scottish fund manager, plans

to reorganise its flagship investment trust, British

espondents to the British government's consulta-

industry minister Tim Eggar disclosed. Page 6

Asset Trust, whose income has not been high

enough to pay investors the high dividends they

Recovery on Wall Street

ties house helped raise

investors were unwilling

the European finance bill on Monday. After falling

lower at 3,033.5, but that

spirits on the London

to commit themselves

ahead of a key vote on

22 points at one stage,

the FT-SE 100 share

index closed only 3.1

still meant a fall of

Laeds Permanent

North West Water

North West Water
Rothmens Intel
Stocklard Sekers
Syltone
Vistec
West Water
Oversees
Australis Media
Deutscha Telekon

Deutsche Telekom

12 Lonnho
12 McKechnie
12 McLeod Russel

NPC

12 GWR

28 Skanska

For customer service and

other general enquiries call:

stock market, where

and some bullish comments from a UK securi-

London shares ease at end of bad week:

the accord would lead to a sharp drop in the budget

an emergency job cuts plan. Page 2

Austrian coalition formed: Austrian

arsonists may have started a fire which killed two

and injured more than 200 people at a rock concert

Spain's state airline Iberia disrupted flights, clashed with police in Madrid and threatened wildcat

west of the Zairean border town of Goma.



The changing face of air travel



Haunted by the ghosts of America's past



Arts: another blow for Broadway



True father of The Terror

**UN** and

Nato fail

to prevent

Serb push

into Bihac

Serb fighters and their allies in a

renegade Moslem force said they

had advanced further into the

town of Bihac last night, despite

intensive mediation efforts by the United Nations and apparent

First accounts conflicted on

whether Nato aircraft had struck

at targets or had merely buzzed Serb positions in the area. Offi-

cials of the western alliance in

Brussels declined immediately to

confirm that any operation had

taken place.
The advance by Bosnian Serb

ground forces into the poorly

supposedly protected by UN resolutions, was reported by the Bel-

grade news agency Tanjug. Gen-

eral Manojlo Milanovic, the

Bosnian Serb chief of staff,

demanded that the government

army in Bihac surrender by this

evening, warning: "If you don't

listen to me, I can't guarantee

Fighters loyal to Mr Fikret

Abdic, a maverick local Moslem leader who opposes the Sarajevo

leadership, have been advancing

on government positions in tan-

dem with the Serbs. A radio sta-

tion controlled by Mr Abdic said

your lives.'

efended town centre, which is

By Laura Silber in Belgrade

fresh air action by Nato.

## FINANCIAL TIMES

Europe's Business Newspaper

Akio Morita, one of

Japan's most highly

regarded businessmen

resigned as chairman of

Sony yesterday on health

grounds. Mr Morita, 73,

chairman of the company

Masaru Ibuka. While Mr

Ibuka was the engineer-

ing genius. Mr Morita is

credited with building

will become honorary

he co-founded with

WEEKEND NOVEMBER 26/NOVEMBER 27 1994

Lira at record low | Building societies' merger will create unit with assets near £90bn

## Halifax and Leeds to form bank

yesterday amid worries that the government had made concessions to trade unions to avert a strike. The market was also nervous about the plight of The Halifax and the Leeds, two of the UK's largest building societies, have agreed to merge, then convert into a fully-fledged bank about alleged corruption while he ran his Fininvest business empire. Page 28; Man in the News, Page 10 and a public limited company.

The deal is a significant move forward in the restructuring of the UK personal financial services industry. If it goes ahead, it will create the third-largest high street bank, with about £90bn in assets and a quarter of new mort-

Mr Jon Foulds, Halifax chair-man, said yesterday the societies had "the opportunity to create a Yorkshire based world-class alternative to the clearing banks", which would continue to focus on savings, mortgages and insurance.

In contrast to traditional society mergers, members will not benefit from a bonus distribution of funds if the merger is approved. But they will later get shares in the new company.

At today's stock market values, the combined organisation would have a market capitalisation of £8bn-£9bn, which would mean shares worth between £500 and £1,000 on average for members.

Under the merger, the Halifax will take over the Leeds, with the 10m members of both societies voting on the deal in spring 1995. Then, if members approve in a second vote, the enlarged group will convert itself to a plc with a full banking licence. The new organisation will keep

the Halifax name, chairman,

chief executive and head office. Five non-executive directors and two executive directors from the Leeds board will join the Halifax board, and some of Leeds' prod-uct names - such as the Liquid Gold savings account - will be retained.

At its annual general meeting this year, the Halifax said it was seeking a merger with another society. The Leeds had been intending to merge with the National & Provincial building ciety but talks were called off in October 1993. It has been without a chief executive since February 1993, when Mr Mike Black-

Inequality in the society

...gnibbew ...Page 11 burn left to become chief execu-

tive of the Halifax. The deal must overcome several regulatory and legal hurdles in order to succeed. These include a decision by the Department of Trade and Industry about whether the merger should be referred to the Monopolies and

The two societies have about 20 per cent of outstanding UK mortgage balances, and about 24 per cent of new mortgage business. They are no longer offering new customers the opportunity to become members by opening savings accounts. New investors will be offered non-voting deposit

Mergers Commission.

The conversion would represent the largest single extension



Mike Blackburn, chief executive of the Halifax, outside its headquarters

of share ownership in the UK. It would be the first such move arate presence than they would since Abbey National converted to plc status July 1989.

Rival financial services executives were divided yesterday about the impact of the merger on competition. Some societies argued that they would benefit more from the removal of Leeds,

coverting to plc status and to lose from Halifax becoming even larger. It is already almost twice the size of the next largest,

Nationwide Building Society. Nonetheless, the deal may encourage other societies to press ahead with mergers. And it is likely to reignite interest in

intensify the search for cost The overlap between the 1,100

branches of the two societies has already led to fears of job losses among their 27,000 or so staff, although the societies said they expected job losses to found

400 of his men had entered Bihac Before the latest move forward was reported, the Serbs were said to be in control of about one-fifth of the notionally protected zone consisting of Bihac town and its environs.

The latest Serb advance followed the announcem UN of a ceasefire in the Bihac area, and a day of bitter arguments between the UN and the Bosnian government as to how badly and by whom it was being violated\_

mant that the UN was failing in its obligation to protect the town, said it was coming under heavy shellfire despite the truce. UN officials claimed that the ceasefire had initially held out fairly well, and they accused the Bosnian army of firing out of the

town with the intention of Continued on Page 28

## Hurd floats possibility of EU referendum

By Kevin Brown, Political Correspondent

Mr Douglas Hurd, foreign secretary, floated the possibility of a referendum on further European integration yesterday as rightwing Tory MPs claimed they had been threatened with deselection if they vote against the EU finance bill.

Amid an increasingly bitter battle over Monday's crucial second reading vote on the bill, ministers said there was no prospect of a general election or a successful rightwing challenge to Mr John Major's leadership of the Tory party.

Frenzied head counting at

Westminster, indicated that 18 Tory backbenchers - just enough to block the EU finance bill – had signed a rebel motion giving the Commons public accounts committee power to block UK contributions to the EU budget.

And in a development certail to inflame Eurosceptic anger, Mr Hans van den Broek, EU commissioner for external political affairs, called for a new constitutional deal that would end the UK's right to veto further inte-Mr van den Broek said that

four-fifths of the EU's population and member states should have the right to over-ride national vetos, challenging the 36-year-old

principle that treaty changes must have unanimous support. Mr Hurd's admission that a referendum on further EU integration had not been ruled out was seen as an attempt to defuse the

Call for EU progress.....Page 2 Fayed cleared.....Page 6 Strapped for credit .....Page 10 \_\_\_\_Page 28 Lex .....

European issue by suggesting that voters may have the final say. Mr Hurd said he was "temperamentally opposed" to referendums, but only parliament could decide whether to hold one. "It is a great mistake to say

see I am not saying never," he told BBC radio. Downing Street said the prime minister remained "sceptical" about referendums, but did not rule out the idea.

A pledge of tough action will form the מו שאו האו centrepiece of the government's defence of the finance bill. Potential rebels said they were coming under intense pressure to fall into line before the vote.

Mrs Teresa Gorman, MP for Billericay, said that Conservative central office had threatened to disband her constituency party and install another candidate if it refused to deselect her. Central office said the party's voluntary

never in this world and you will area chairmen had simply explained the party's rules to the constituencies. Underlining the government's

nervousness, Mr Michael Howard, the rightwing home secretary, warned that the party • The Crown Prosecution Service yesterday cleared Mr Mohamad Faved, the owner of

ister by threatening to disclose impropriety by ministers.

Mr Fayed said he was "totally vindicated" and demanded an apology from Mr Major. Downing Street said there was "no question" of an apology.

Harrods, of allegations that he

tried to blackmail the prime min-

UN and Nato struggle, Page 2

## Goldman Sachs wins role in Deutsche Telekom sale

By Andrew Fisher in Frankfurt and Michael Lindemann in Bonn

German government vesterday named German and IIS banks to head the DM15bn (£6.17bn) sale of shares in stateowned Deutsche Telekom, setting the stage for one of the world's biggest equity issues. Mr Wolfgang Bötsch, the postal

minister, ended weeks of waiting with the announcement that Goldman Sachs, the US investment bank, would join Deutsche Bank and Dresdner Bank as joint leaders of the global Issuing con-sortium after intense speculation over which foreign bank would play the most prominent role. With fees of about DM400m

involved in the partial privatisation - a quarter of the group will be sold in the first tranche early based investment bank, will head in 1996 - the issue attracted the UK consortium, while the US interest from 22 foreign banks. group leadership will be shared They were screened at a "beauty contest" in Bonn where by Goldman Sachs, Deutsche Bank and Merrill Lynch.

Deutsche Bank was given a they made presentations to government and Deutsche Telekom more prominent role than many officials in September. bankers expected, since it will be Goldman Sachs was considered spokesman for the global consorthe favourite, because of its pertium. It will also head the book formance in the contest, its telebuilding operation in which communications knowledge and investment demand is assessed and the issue price worked out. its work with Deutsche Telekom on acquisitions. But other banks, This takes the investment banknotably Merrill Lynch of the US. ing activities of Deutsche Bank a were also in the running. Euro-pean banks lobbied hard, but huge step further," said Mr Ronaldo Schmitz, a director.

The German bank surprised the financial community a month ago by deciding to locate its main investment banking activities in

Continued on Page 28

	STO	OCK MARKE	T INDIC	ES			
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unsuccessfully, for a British bank

UK investors are expected to take up to DM3bn of the issue

and the US market about the

same. S.G. Warburg, the London-

to be a co-leader.

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## speech adds to EU row

Mr Hans van den Broek, EU commissioner for external political affairs, has risked inflaming divisions in the ruling Conservative party in Britain with a call for weakening national veto powers in the European Union.

Mr van den Broek, who will assume wider authority in external relations in the incoming Commission of Mr Jacques Santer of Luxembourg

successor to Mr Jacques Delors, who leaves the presidency of the European Commission in January - said it was time to consider new constitutional arrangements to allow a vanguard of integrationist-minded states to move ahead in a multi-speed Europe.

He suggested that changes in the Maastricht, Rome or other EU treaties should enter into force when four-fifths of the EU's population and member states have ratified - a challenge to the 36-year-old principle that treaty changes must be unanimous.

Mr van den Broek's speech, in the Hague on Thursday night, came at the end of a turbulent week in British politics, with the UK government threatening to call an election if it loses a parliamentary vote next Monday on raising UK contributions to the EU bud-

His thoughts reflect broad but by no means overwhelming sentiment among governments in Germany, the Benelux countries, and, to a degree, France, in favour of a multispeed Europe built around an inner core of committed inte-

Aides said the speech would serve as a marker ahead of the 1996 inter-governmental conference to review the Maastricht treaty, but British officials noted that the Dutch commissioner had touched "the most neuralgic point" of the Rome treaty. Others warned that forcing the pace of integration by diluting national veto powers

According to a text distributed in Brussels yesterday, Mr van den Broek said: "I believe that the majority view in the Union is that all members should move ahead together wherever possible - but if a smaller group wish to push ahead towards closer integration then they should be allowed to do

In a side-swipe at Britain and Denmark, who won opt-outs in the 1991 Maastricht treaty on monetary union. Mr van den Brock said: "A few years ago some member states were competing for opt-outs. Now, the competition should be for optins." Last month, Mr Jean-Luc Dehaene, the Belgian prime minister, called for an extension of majority voting, declaring that the need for unanimity and the exercise of national vetoes could lead only to block-ing effective action.

Mr Dehaene proposed that the Commission should decide which countries met the conditions for a multi-speed approach, with a final decision made by a qualified majority of

Despite these interventions. senior British officials remain confident that the 1996 conference will not lead to wholesale revisions in the Maastricht treaty and a substantial weakening of veto powers.

in the UK government's view. France remains the swing country in 1996. Official predictions assume that a sovereignty-conscious French government will resist German European political union with the Commission as the new executive government of

However, there is some concern about the possibility that Mr Delors may enter and win next year's presidential race in France. The prospect of Mr Delors joining Chancellor Hel-mut Kohl of Germany in a reinvigorated Franco-German axis is not viewed with relish

## Maastricht | UN and Nato in struggle over Bosnia

The UN has in effect recaptured from Nato the main diplomatic initiative over the Bosnian conflict, in a fresh setback for the prestige of the Atlantic alliance.

The pivotal role of the UN was illustrated yesterday by the mediation efforts of General Sir Michael Rose, UN commander in Bosnia, and a comment from Mr Boutros Boutros Ghali, the UN secretary general, that he was in touch with all the warring parties.

Shrugging some off some harsh criticism from Bosnia's Moslem-led government, the British general yesterday took advantage of the apparent exhaustion - however temporary - of both parties in the Bihac enclave to broker a

Having captured such strategic positions as the Grabez plateau and the Debeliac hill, the Serbs may have calculated that they had little need to advance any further into the town, while the Bosnian army was in severe need of a breathing pace after two weeks of continuous setbacks.

The visibility of the British UN commander pointed to a renewed emphasis on pragmatic, ad hoc mediation efforts - which avoid passing judgment on the parties - and a philosophy which the US has urged on its Nato partners. Nato ambassadors failed on Thursday to reach agreement on a US plan for demilitarising the Bihac area, and they said



Defender: A French UN soldier patrolling the area around Sarajevo airport yesterday as peace negotiations took place

posal to the UN for further elaboration.

There was little sign, however, of that elaboration taking place yesterday because the problem raised by France over the US proposal - the lack of ground troops to oversee demilitarisation - seems a virtually

the US hopes of a Nato imprimatur for firm intervention in the conflict, with tough use of air power to shore up the military fortunes of the Bosnian been dashed.

Mr Willy Claes, the new secretary-general of Nato. acknowledged yesterday that he was disappointed by the

should have been able to push further," he said. Yesterday's developments were only the latest in a series

of setbacks to the prestige of Nato's political machine In theory, the US should always find it easier to win approval for its policies in Nato - where it is by far the biggest military power - than

Russia and China.

But last week, as air attacks from Serb-held Croatia brought the Bihac crisis to a head, US diplomacy appeared to be homing in more strongly on the UN, where the security council passed an emergency resolution



sions with Mr Boutros Ghal action in Bosnia...

The recent electoral victories for the Republicans in the US have increased the pressure for an outright lifting of the arms embargo against Bosnia something that would almost certainly make the UN's continued presence in the republic untenable and force a humiliat ing withdrawal

Mr Boutros Ghali is helieved to be well aware of that con eration as he formulates policy towards Bosnia and tries to head off the danger that peace keeping in former Yugoslavia will end in the same humilist ing way as the UN mission to

The secretary-general has other factors to take into account, including the delicacy of the situation on the ground and the impossibility of intervening with air strikes in hand-to-hand fighting.

**Spanish** 

flights

hit by

protests

Flight cancellations, delays

and scattered clashes between

## Russian duma deflects budget row

By John Lloyd in Moscow

The Russian parliament last night stepped back from confrontation with the government over the budget by call-ing for a "conciliation commission" to "check on the basic figures" of next year's budget before a vote is taken. The commission is due to report by December 10.

However, the debate yesterday in the state duma (lower house) and comments by leading deputies leave little doubt

promoted by the government as a strategy which will finally puncture high inflation and stabilise the rouble would be voted down by the duma. According to Mr Mikhail Zadornov, chairman of the duma budget committee, only the liberal Russia's Choice party led by Mr Yegor Gaidar would vote for it.

The government has made clear it is open to proposals to tinker with the figures, but will reject all efforts at strategic shifts. The budget envisages no central bank credits

for the government next year, the sale of a massive Rbs70.000bn worth of treasury bills, and support, largely from the International Mone tary Fund, of nearly \$13bn (£8bn) - at the present exchange rate, around one third of the projected yearly

Mr Zadornov attacked each part of the budget strategy. He said treasury bills would not be sold in large amounts at a time of high inflation, that the projected level of taxes could

projected level of expenditure was far too low given commitments already made and debts which had to be paid.

Mr Vladimir Pauskov, the new finance minister, yesterday revealed the parlous state of the government's finances admitting that it could not pay Rbs3,000bu it owes to defence ever, he said that the nearly Rbs2,000bu debt owed in back wages to state employees had been reduced to Rhs600bn.

The discussions are now

Pochinok, the Russia's Choice member who is deputy chair man of the budget committee yesterday attacked Mr Zador nov and other leading mem bers for refusing to realise how essential the budget was to save the country from continuing decline.

To derision from his colleagues and from many of the press, Mr Pochinok said: "If we want to live reasonably, we have to learn how to produce and how to sell. People buy imported goods because they

A clause in the company's

charter which forbids it to sell

shares to foreigners. Though it

can probably circumvent the

clause by creating a special

class of foreign shares, it might

leave itself open to legal chal-

Though its reserves are vast

between \$1,500bn to \$2,000bn -

it is subject to Russian govern-

estimated to be worth

#### ground staff of the state-owned Iberia airline and police yesterday at Madrid's Barajas airport were a foretaste of the chaos that could afflict air traffic to Spain in the days ahead.

Some 30 Madrid-Barcelona shuttle service and other morning rush-hour flights to Spain's main cities were grounded as police took four hours to restore calm to the domestic terminal. At several airports, works committees began sit-

International flights were not affected yesterday but airlines were bracing themselves for a worsening situation next week. "We're not cancelling. anything at this stage and we'll just have to wait and see," said Air France.

Yesterday's incidents were caused by Iberia employees affiliated to minority unions. The disruptions are likely to increase on Monday when the main unions will join the protest against a drastic restructuring plan drawn up by the management that involves redundancy notices for 20 per cent of the company's 25,000 employees and the sell-off of most subsidiaries.

The powerful Iberia pilots union, which had so far stood back from the dispute said it would support strike action and would also take the airline's management to court if it pressed ahead with the

break-up of the company. The main concern is that wildcat action could close domestic airports. Extremists are calling on Iberia employees to block runways and to cause disruptions similar to those during the violent Air France strike a year ago. The airline is expected to

lose Pta44bn (£218m) and it could face bankruptcy next year unless it severely reduces its costs and raises fresh capi-tal through disposals.

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FINANCIALTIMES

## Western interest fails to allay Gazprom fears

The foreign appetite for shares in Gazprom, the Russian gas monopoly which is the world's largest supplier and the country's biggest company, has created huge disparities in its market price ahead of the sale of 9 per cent of its stock to international investors, planned to take place by the

end of the year. The price of Gazprom shares quoted on the Vladivostok stock exchange has soared to Rbs15,510, according to Gazprom officials. This is more than 17 times greater than the Rbs880 quoted by Moscow brokers, and reflects the fact that foreign investors, who can trade on the Vladivostok exchange following a test offering last month, are pushing up the price.

The Vladivostok price would mean that the 9 per cent offered abroad would be worth around \$10bn (£6bn) - on the Moscow price it would be worth under \$600m. However, both prices are highly artificial, since nothing is known of how the shares will be offered,

and even about whether Gazprom has the right to sell them to foreigners.

Gazprom is, after the oil companies, the largest earner of hard currency for Russia. Its annual contract with the German company Ruhrgas - its largest foreign client - is worth DM2.6bn (£1bn) a year.

However, according to brokers and financial executives in Moscow yesterday, the doubts surrounding the shares may mean that the price will be lower than Gazprom is hoping for - though they concede that a company as potentially rich as this may be forgiven a good deal of uncertainty. Kleinwort Benson, the London merchant bank handling the sale, refuses to give any details, citing the need to observe US leg-

islation on non-disclosure of information before a sale. The problems cited by the Moscow analysts are: Lack of information on how the shares are to be offered -

whether to chosen investors or

sold freely.

Lack of ability to prove title to the shares - which, though they have a price, are barely

ment policy of controlling energy prices and cannot collect some of its largest debts, from other former Soviet Gazprom has received sub-

stantial credits from the Italian and German credit agencies, but in both cases can offer gas supplied to these countries as The European Bank for

Reconstruction and Development is working with the com-pany on an ambitious plan to identify investment opportuni-ties on its 220,000km of pipeline but has as yet not decided to invest in the company.

By contrast Lukoil, the next biggest energy company, has onstrate accounts diligence.

## Austria's new coalition agrees big spending cuts

Seven weeks after suffering big losses at the hands of disillusioned voters, Austria's two main parties agreed yesterday to form a new coalition gov ernment and make large cuts in government spending.

Weathering protests by trade union and various interests groups, the Social Democratic party and the conservative People's party agreed to cut spending by Sch250bn (£14.5bn) over four years, curtail several social programmes and make some steps toward more flexible labour laws. In an all-night negotiating

session, the two parties resisted pressures to drop key parts of their austerity plan. but left some details open for future talks with the trade unions. If fully implemented, the cuts would mark a significant departure from Austrian

traditional policies of big government spending and gener-ous social benefits. Chancellor Franz Vranitzky.

a Social Democrat, and conservative leader Erhard Busek are hoping to reduce the budget deficit, which is projected at Sch117bn next year, and bring it in line with the convergence criteria of the Maastricht treaty. Austria will join the European Union on January 1 and wants to be in the core group for monetary

Among the most painful measures is a pledge to limit public sector pay rises to 2 per cent in 1995, below the projected inflation rate of 2.5 per

The key positions in the new cabinet will remain unchanged, however, despite promises of a new start and a reshuffle by both parties. In the elections last month, the

Social Democrats dropped from 80 seats to 65 seats in the 183-seat parliament, and the conservatives fell from 60 to 52 seats. The big winner was the right-wing Freedom party, which capitalised on voter disillusionment with the abuse of power and patronage by the governing parties. It gained nine seats to 42 seats. The Freedom party leader,

the charismatic Mr Jörg Haider, is hoping to break the coalition before its regular term ends in 1998 and become chancellor after the next elections. Public discontent with the spending cuts could hurt the governing parties in the short term.

But the accord should also help maintain market confidence in the Austrian economy and its currency. The two parties also resolved a dispute over who should be in charge

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The state of the s

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and Cuba for the first time in 30 years. Both AT&T and MCI were due to open telephone lines to Cuba yesterday evening, offering a much easier and cheaper service to Cuban exiles, who have had to resort to special services in Canada and Italy to get around a bottleneck that restricted the number of calls to the Caribbean island

Telephone service is the one significant area in which the US has wanted to ease its long-standing embargo against the government of President Fidel Castro. The 1992 Cuban Democracy Act, which otherwise tightened the embargo, offered new opportunities to improve telecommunications links.

Much of Cuba's telecommunications equipment dates from

the 1920s, and only an estimated 1 per cent of the 60m calls placed from the US to Cuba go through. But upgrading the link has been complicated by disputes over how to handle Cuba's share of the revenue from telephone calls. George Graham, Washington

#### Nicaragua reforms constitution



The Nicaraguan congress has approved constitutional reforms which ban close relatives of President Violeta Chamorro (left) from standing for the presidency, in a move to shift powers from the executive to parliament. The reforms, which allow for a second but not consecutive residential term, are a defeat for Ms Chamorro's son-in-law. Mr Antonio Lacayo, the minister of the presidency and de facto prime minister. He was hoping to stand for president in May 1996.

The vote means the hardline Sandinista leader and former president Mr Daniel Ortega may stand in 1996. But his plan to negotiate with Mr Lacayo the removal of the consan-guinity ban – in exchange for a law to legalise Sandinista ownership of some properties confiscated during the party's 1979-90 administration - has been scuppered. It was supported by 32 moderate Sandinista congressmen out of a total of 39, in defiance of Mr Ortega and the Sandinista assembly. "This is an enormous political defeat for Daniel Ortega and Antonio Lacayo," says Mr Carlos Tumerman, a former Sandinista ambassador to Washington, who has left the party. "The division in the party is irreconcilable and a split is inevitable."

The vote cuts the presidential term from six to five years, obliges the government to seek congressional approval for international loans and trade negotiations, and makes the army more accountable to civil authority. Edward Orlebar,

#### Oslo to plug oil tax loophole

Norway vesterday announced a controversial plan to plug a loophole in the petroleum tax regime which it says has cost state coffers losses estimated at NKr300m (£28m) a year in inflated profit repatriation by foreign oil companies. The state accuses oil companies of boosting profit repatriation by build-ing up debt in their Norwegian subsidiaries and offsetting the financing costs against local taxes. The finance ministry proposal would require the companies to maintain their equity capital at a minimum of 20 per cent or be penalised by higher

The so-called "thin capitalisation rule" will be retroactive to the beginning of 1994 if it is approved by parliament. "The proposition means that a higher equity capital share than 20 per cent will have consequences for taxation since the rights to deduct net financial costs will be limited in proportion to a maximum debt ratio of 80 per cent," the ministry said. Karen

#### West German inflation slows

The annual inflation rate in west Germany slowed from 2.8 per cent to 2.6 per cent in the month to mid-November, according to preliminary data from the federal statistics office yesterday With prices continuing to stabilise, and a strong D-Mark defending the economy against imported inflation, economists suggested the Bundesbank still had room to reduce its short-term interest rates. Meanwhile, central bank data issued yesterday showed that a deficit of DM7.7bn (£3.14bn) on the pan-German services trade balance made the largest contribution to an unexpectedly big total current account deficit of DM5.2bn during September. The aggregate deficit for the first three quarters of the year rose accordingly to DM41.9bn. Visible imports, up 5.2 per cent, grew more than forecast, leaving the trade surplus at DM5.8bn, down from DM7.1bn in

August. Christopher Parkes, Frankfurt

Mr Horst Schulmann, a Bundesbank council member and president of the regional central bank in the state of Hesse, has died. He had been ill for some time. Reuter, Frankfurt

#### Tanzanian minister 'must go'

The International Monetary Fund and World Bank have told Tanzania's government its finance minister should be removed, officials in Dar es Salaam said yesterday. They said IMF and World Bank representatives said the scheduling of a new meeting of Paris Chub creditor countries and the resump tion of aid by Norway and Sweden depended on Mr Kigoma President Ali Hassan Mwinyi last week appealed to donors

and international agencies to keep giving his government aid during an official investigation into rampant tax evasion, which cost an estimated \$125m (£76.2m) in lost revenues last year. Sweden and Norway froze a total of \$28.5m in aid to Tanzania last week, citing concern at the evasion. The officials said foreign donors had reserved the right to

commission an independent audit on the report on the tax commission an independent authr on the report on the tax evasion investigation being carried out by the controller and auditor general. Other donors could suspend aid as Norway and Sweden have done if the president ignored this condition, they added. Reuter, Dar es Salaam

#### Australian strikes begin

The wave of industrial action threatened by some large union The wave or industrial action infrancined by some large union wage claims in Australia got under way yesterday. About 1,500 members of the Transport Workers' Union, which is pursuing a 15 per cent wage claim to be spread over two years, decided to strike over the weekend. Their action is targeted at supermarkets, and is expected to leave many stores without food or

milk deliveries. This could be followed by a 24-hour strike by aircraft refuell ers and oil tanker drivers on Monday. The federal Industrial Relations Commission ruled yesterday that the TWU was Reignions Commission to the fact that was seeking to avoid enterprise bargaining by lodging a sector seeking to avoid enterprise bargaring by auging a sector-wide pay claim, and withdrew the union's right to strike on Monday without risking heavy fines. Despite this, there were indications that workers still plan to go ahead with the action. If the action does take place, it is expected severely to disrupt domestic and international airline services. Nikki Tail, Sydney

#### Court reprieve for Tapie

Mr Bernard Tapie, the French businessman-politician, yeste Mr Bernard Taple, the French besidessman-politician, yester-day won a few days' reprieve when the Paris commercial court postponed to Monday its examination of whether his compa-nies should be placed under court administration, a possible

first step to bankruptcy. irst step to canal upon Credit Lyonnais, Mr Tapie's main banker, forced the issue last week by blocking the account of Bernard Tapie Finance, the holding companies which controls La Vie Claire, a chain of the holding companies which controls La Vie Claire, a chain of the notoning constraints which controls La vie Claire, a chain of health food shops, and Testut and Terraillon, which makes industrial weighing machines. David Buchan, Paris

## No room in the Vietnamese inns

Scarce accommodation hinders business stormtroopers, writes Kieran Cooke

serviced apartment building is going up on the shore of Hanoi's famous Ho Tay or West Lake. The price for a spacious, but by no means luxurious, two-bedroomed flat is \$8,000 (£5,000) a month, plus some service

The rush to Vietnam is on. Encouraged by the lifting of the US trade embargo this year, foreigners are charging into Vietnam in ever greater numbers, seeking business opportunities on what many see as Asia's new frontier. But there is little room for

these stormtroopers of the business world. Hotels in both Hanoi and Ho Chi Minh City (the former Saigon) are often booked out months in advance. Room rates, although not nec-essarily facilities and service, are equivalent to Singapore or Sydney. Tourist arrivals have gone up from 250,000 in 1990 to a forecast of nearly Im this

The pressure on accommodation is immense. "It's a bizarre situation," said one Hanoibased foreign oil company

"I'm living in a city which has 1930s facilities but I'm pay-ing modern-day Hong Kong

Property developers, led by Singaporean, Malaysian and Hong Kong-based companies, have moved in to take advantage of the dramatic upswing in the number of people seek-ing not only hotel accommoda-tion but homes and offices for rent. According to official figures, 95 joint local/foreign hotel projects worth a total of nearly \$2bn have been approved over the last two

Piling machines are making their way down Hanoi's narrow streets. Cranes dot the Ho Chi Minh city skyline. But the developers are not having an easy time. One of the first problems any

investor in Vietnam faces is the lack of a comprehensive system of commercial regula-

Hong Kong: inflation

Annual % change



Building is going on apace but several projects have had to be abandoned

tions and law. Developers find that under Vietnamese law all

involves lengthy negotiations with numerous, often competing, authorities, including politically powerful local people's committees. Local estate agents may claim to have rights to the land they are selling but, in fact, they often have only doctored papers which one government department may accept and another

Nonetheless, local specula-tors have used gold stashed away during recent years or money from relatives oversea to gain control of property in the hope of a foreign rush for

land and building space. Mr Huynh Buu Son, deputy director of the Saigon Bank for Industry and Trade, says that prices in parts of Ho Chi Minh City have peaked. "Some local banks which have supported the speculators are going to get into trouble. Locals who bought at inflated prices now can't find buyers for their property.

With the absence of a proper land title system and no mortgage laws, foreign developers find that their banks are often

Having found a site to

compensation and resettlement for those living there. Hanoi and Hon Chi Minh City are two of the most densely populated urban centres in Asia; the density in parts of Ho Chi Minh City is greater than in Hong Kong, while Hanoi's population has risen from 500,000 inhabitants in the 1950s to more than

3m today. Foreign developers, as well as diplomatic missions and company executives, have been keen to renovate and rent some of Hanoi's crumbling French colonial-style villas. The authorities give the go-ahead but say those inhabiting such properties must be

That can be an expensive proposition. The authorities

### S Korean opposition chief quits parliament

By John Burton in Secui

recently found that more than 1,000 families were living in 150

villas in the centre of Hanoi. Compensation claims are often

Several foreign-backed pro-

jects have either been aban-

doned or are still only in the planning stage. Work on a French/Vietnamese joint ven-ture project to build a hotel near the site of the Hanoi

Opera House has still not started, nearly two years after

winning initial approval from the authorities. A Scandina-

rian/Vietnamese venture to

build a hotel near the city's

Lenin Park has apparently run

The \$63m New World in Ho

Chi Minh City, described as the

southern city's largest luxury

hotel, finally opened in Octo-

ber after six years of squabbl-ing over land agreements and

Some Vietnamese are wary of the foreign property develop-ers. Officials insist that they do

not want Hanoi or Ho Chi

Minh City to fall into the same haphazard development cycle

as cities like Bangkok. Some

criticise the emphasis on lux-

ury hotels and resorts, out of

reach of all but a small minor-

ity of Vietnamese, while farm-

ers have objected to precious

agricultural land and water

resources being used for golf

Mr Peter Purcell, an Austra-

lian property developer, is

managing a project to build an

exclusive recreation club on

the shore of Hanoi's West

Lake. Although building on the

project has yet to start, compa-

projects are fine but I'd be

wary of getting involved in any big property deal."

compensation claims.

into financing difficulties.

grossly inflated.

main opposition leader, resigned his parliamentary seat yesterday in protest at the recent decision by the govern-ment not to prosecute two for-mer presidents for their role in a 1979 military coup that brought them to power.

Mr Lee, who has blocked parliamentary proceedings for the last three weeks over the issue, called on other MPs to follow his example and force a general election. But analysts believe his surprise move may instead cost him the leadership of the Democratic party (DP) because some party offi-cials regard his position as too

"He has painted himself into a corner," said one aide to Mr Kim Dae-jung, the former DP

Mr Lee, who has been criticised for his hapless leadership since becoming party head two years ago, sought to use the government's failure to prosecute former presidents Chun Doo-hwan and Roh Tae-woo as an issue to strengthen his position within the party. By confronting the government, he hoped to rally support behind his leadership.

Many DP members opposed the military government after the coup leaders violently sup-pressed a 1980 revolt in the city of Kwangju, the party's main power base.

nies are already advancing \$15,000 membership fees. Several luxury hotel develop-But some senior DP officials, including the party's founder ments are planned nearby. Mr Kim, have urged Mr Lee to "Things take longer to do abandon his hardline attitude here," says Mr Purcell. "It's not like Singapore or Malaysia, where, if the authorities tell and resume parliamentary proceedings, which will include the scheduled approval of South Korea's membership people to move off the land, that's it. Even the lowliest of the World Trade Organisa worker has a say. Small-scale

The fate of former presidents Chun and Roh has also posed a political problem for the current President Kim Young-sam, who was an opponent of military rule in the

President Kim favoured leniency for the two former presidents because he feared that prosecuting them could lead to a split within the ruling Democratic Liberal party. Prosecutors said Mr Chun

and Mr Roh would not be lion because of their country. The majority of DLP MPs

are allies of Mr Chun and Mr Roh. The DLP was created in 1991 following a merger between then-president Roh's ruling party and Mr Kim's

smaller opposition group. There have been persistent rumours that conservative MPs may soon quit the DLP and form a new party to oppose President Kim because of concerns that they will not be renominated for parliamentary seats in the 1996 elec-

land belongs to the state and cannot be sold. Establishing title to land

unwilling to offer financing in such an uncertain market. Instead, companies have to rely on their own cash

develop, the next problem is

Measures aim to encourage purchases of imported goods

## Japan's tax reforms clear Diet

surplus.

tax reforms to stimulate the weak recovery in the short term and restrain growth in 1988 89 - 90 91 92 93 94 state borrowing after 1997.

Inflation in HK at lowest in six years

By Simon Holberton in Hong Kong

Hong Kong is expected to produce its lowest annual inflation rate since 1988 this year. The government has revised its inflation forecast down to 8 per cent for the year from a previously estimated 8.5 per cent.

The easing of inflationary pressures was not, however, seen as a harbinger of slower economic activity. The government left unchanged its forecast of a 5.7 per cent real expansion in the economy for

The revised inflation forecast came with the release of the government's quarterly economic report which showed that gross domestic product expanded by 5.4 per cent in real terms in the second quarter of the year compared with a year earlier. This was a slightly slower rate than the 5.7 per cent in the first quarter of the year. Inflation has been one of the

government's biggest political problems. Its easing appears in part to be a combination of a slower growth in personal consumption and reduced activity in Hong Kong's residential property market. Prices for flats have eased by 10-20 per cent since a package of measures was introduced to curb speculative activity.

The colony's growth rate has been propelled by a strong external trade performance. Exports, for which more recent data are available, were up 11 per cent in real terms in the third quarter, while re-exports were 14 per cent higher in real terms than in the previ-

ous corresponding period.
Growth in retained imports
of capital goods was 17 per cent in real terms in the third quarter over a year earlier, compared with a real growth of 6 per cent during the first | day in which police have

In the second stage of tax This fulfils a promise made by prime minister Tomiichi Murayama at the Group of Seven summit in July to cut income tax as a means to encourage more Japanese to buy imported goods and lower

the world's largest and most politically contentious trade The first part of the package consists of Y16,500bn (£107bn) of income tax cuts spread over

Tokyo breaks silence

over plutonium stocks

nium\_

of the nuclear reprocessing Japan has as yet no fully

plant, would be left holding

excessive amounts of pluto-

International concern over

global nuclear proliferation

and heightened criticism over

North Korea's nuclear develop-

ments have also prompted the

Tokyo government to provide

more information to the public.

nuclear energy white paper put

together by the Science and

Technology Agency. Agency officials said the amounts had

been disclosed to reconfirm the

government's plan of not hold-

ing more plutonium than the

of plutonium were held in the UK and 4,911kg in France at

the end of last year. Since

The white paper said 1,286kg

The stocks were listed in the

Y5,500bn annually. Of the raise sales tax by more than 5 same month a year ago. How-Japan's upper house of annual total, Y3,500bn will conparliament yesterday gave tinue after 1997 as a permanent of the economy and administrative spending.

Taking out food, the core subsequent service to the

reform, starting in the fiscal year beginning April 1997, sales tax will rise from its internationally low 3 per cent to 5 per cent. This is needed to finance the tax cuts, and over the longer term compensate for the shrinkage in the income tax base caused by Japan's fast-ageing population profile. The sales tax rise is smaller

than the fiscally conservative finance ministry had wanted. because of its obvious political unpopularity. However, a clause in yesterday's tax bill

To win support, even for the smaller figure, from members of the three-party ruling coalition, Mr Murayama promised to cut spending on the public administration. His government reiterated that pledge yesterday. It planned to produce by the end of March a list of state bodies due to be slimmed, merged or closed, said Mr Masahiko Komura, director general of the Economic Planning Agency.

• Consumer prices in Tokyo, an early indicator of

cessing facilities, British

Nuclear Fuel and Cogema of

France are reprocessing

Of the 4,684kg held in Japan,

nuclear fuel into plutonium.

326kg were situated at repro-cessing facilities in Tokal

north of Tokyo, and 3,269kg at

the site's fuel fabrication facili-

ties. A further 1,089kg were at

the country's fast breeder reac-

The government's announce-

ment comes ahead of the ship-

ment next February of high

density nuclear waste originat-ing from Japanese used

nuclear fuel processed by

Cogema. A total of 28 stainless

steel containers of nuclear

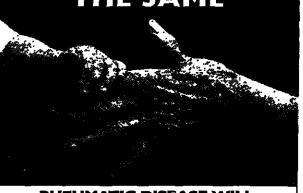
waste moulded together with

the next three years, worth empowers the government to per cent in November from the

Tokyo inflation rate was a mere 0.5 per cent year-on-year, down 0.1 per cent on October, confirming inflation continues to be almost non-existent. One reason for this is the pressure on prices from bar-

gain-conscious consumers, shown yesterday by a 2.6 per cent year-on-year fall in department store sales in October. the 32nd consecutive month of decline. Business, meanwhile, is expanding fast at discount supermarkets, opening up at a rate of 80 per month nation-

### YOUNG OR OLD THE PAIN'S THE SAME



#### RHEUMATIC DISEASE WILL AFFECT MOST OF US DURING **OUR LIFETIME.** There are more than 200 different arthritic and rheumatic diseases

severely affecting between 7 and 8 million people in this country

The Arthritis and Rhenmatism Council is the only major UK charity financing medical research into all aspects of arthritis and matism at most teaching hospitals and universities in the UK. There is real hope that arthritis and rheumatism can be beaten. To

make sure that your children and grandchildren have a fair chance of a future free from these disabling diseases, join us in

ARTHRITIS RESEARCH

FIGHTING THE CAUSE - SEEKING THE CURE

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l enclose: □£3]	<b>□£47</b>	∏£19	my gift of £		
Name-					

To: The Arthritis & Rheumstism Council.

#### Indian police kill seven southern state of Andhra Praddemonstrations, in unrelated

programme required.

Police shot dead seven people

By Emiko Terazono in Tokyo

The Japanese government

disclosed the country's pluto-

nium stockpiles for the first

time yesterday in an effort to

increase transparency of its nuclear fuel programme.

Tokyo has long been secre-

tive about its ambitious pluto-

nium programme on grounds

of security.
However, concern over its

plutonium policy was aired

last year by some Japanese MPs, ahead of the British gov-

ernment's authorisation of the

controversial launch of British

Nuclear Fuel's Thorp plant at

They opposed the start of

Thorp's operations, claiming

that Japan, a leading customer

and injured 100 yesterday when they opened fire on a crowd of students in Kannur district, in the southern Indian state of Kerala. Police said they fired at the

crowd after protesters attacked the car of a visiting state minister during a demonstration by the youth and student wings of the Communist Party of India - part of widespread

action against the state government's education policy. It was the third consecutive incidents in different parts of the country. At least 120 people died in a

stampede in Nagpur, Maha-rashtra state, on Wednesday after police used batons on a group of tribal demonstrators to stop them breaking through a cordon around the state legislature. On Thursday at least two people were killed in the eastern sector of New Delhi, the capital, when police opened fire on a mob they said stoned a squad of the Delhi Development Authority as it attempted

construction resorted to violence to quell • Maoist guerrillas in the

esh kidnapped a relative of prime minister PV Narasimha Ran ahead of an election rally the Indian leader was set to address yesterday, police said, Reuter reports from Warangal. They said guerrillas of the Praja Pratighatna group, a

Japan from France.

breakaway faction of the main Maoist People's War Group, were demanding a Rslm (£20.400) ransom for the brother of Mr Rao's son-in-law. The Maoists defied a paramilitary crackdown on Thursday to lead a strike against what they say will be fraudulent state assembly elections on

to demolish an unauthorised

## Eight die in Palestinian gun battles

the camps to disarm the guer-

rillas. Syria, which maintains

40,000 troops in Lebanon, has also publicly criticised Mr Ara-fat's peace agreement with

that Arafat's problems are not localised to Gaza but spread

across the Palestinian diaspora

nation and across the entire Arab world," said a Beirut

In Gaza the militant Hamas

Islamic Resistance Movement,

which has blamed Mr Arafat

for last Friday's killings, post-

poned a large rally until today.

Hamas, which leads the Pales-

tinian opposition to the peace process, said it expected 20,000

people to attend the rally to

demonstrate the strength of

opposition to Mr Arafat's peace

deal. Earlier in the week up to 10,000 supporters of Fatah dem-

In Israel, the prime minister, Mr Yitzhak Rabin, said carry-

ing out a death sentence given yesterday by an Israeli military

court to a Palestinian guerrilla

from the Hamas group would be a "blunder". Mr Rabin said

he opposed execution of a Pal-

estinian sentenced to death for

carrying out a bus bomb attack

in April that killed six people.

a single Palestinian terrorist to

death and I think this was cor-

Leaders of Hamas said the

death sentence would only

encourage further Islamic sui-

cide attacks against Israelis,

not deter them as the military

rect," he said.

To this day Israel has not put

onstrated in Gaza.

Syria is anxious to prove

By Julian Ozanne in Jerusalem

peace agreement has permanently ended the right of battles between supporters and opponents of return to their homeland which has been the central ral-Mr Yassir Arafat, chairman of the Palestine Liberation Organ-isation, left at least eight Paleslying call of the PLO for tinians dead yesterday in Leba-Neither Lebanon nor Syria has so far tried to move into non's biggest refugee camp.

The day-long fighting with machine guns and anti-tank rockets has sparked fears of an eruption of internal Palestinian violence among the 400,000 Palestinian refugees camped in

The fighting marks the spread of tension between Palestinians supporting and opposing Mr Arafat's peace agreement with Israel, and the anger about last Friday's kill-ing of 12 Palestinians in the Gaza Strip by Mr Arafat's Palestinian police force.

It also exposes the deepening divisions within Mr Arafat's Fatah faction and more widely within the PLO, traditionally dominated by Fatah, and the mounting challenge to Mr Arafat's leadership.

Fighting broke out before dawn when 400 pro-Arafat guerrillas seized six military posts manned by 200 dissidents in the Ain el-Hilweh refugee camp near the southern port of

The dissident group is led by Lt-Col Munir Maqdah, the former military head of Fatah who was dismissed by Mr Arafat last year after he called for the PLO chairman's resignation over the peace agreement.

The traitor Arafat has to move away from our Palestinian people," Lt-Col Maqdah was quoted as saying yester-day after he described last Friday's clashes as "massacres" committed by Mr Arafat.
Armed Palestinian factions

backed by Syria and opposed to the peace deal have a strong sence in Lebanon's 12 refu**Gingrich** warned on role in **Congress** 

By George Graham

The outgoing leader of the Republicans in the House of Representatives yesterday warned his successors against letting power go to their heads after their sweeping triumph feel the Israeli-Palestinian in this month's congressional Mr Bob Michel, who is retir-

ing after 38 years in the House and 14 as leader of the Republican minority, said he did not care for the plans of Mr Newt Gingrich, who will succeed him as Republican leader and take over as speaker of the House in January, to concentrate more power in the speaker's office.

"I didn't crave power when I was leader - I don't know if it would have changed if I were speaker. I just hope it doesn't go to our newly elected leaders' heads." Mr Michel told the Chicago Tribune newspaper.

"Newt knows what he's doing," Mr Michel said, but warned that the pugnacious Georgian was "more of a theo-retician than he is a parliamentarian". "Overplaying your hand in the majority can lend itself to the minority in justifying itself in really sticking it to you," he said.

This is not the first time Mr Michel has bemoaned the more partisan style of politics that has taken over Congress, but his warnings to Mr Gingrich were unusually pointed. They could foreshadow clashes in style between Mr Gingrich and Senator Robert Dole, who will lead the Republicans in the Senate and who is more of a parliamentarian than the new

Mr Michel also criticised the "Contract with America", a list of campaign pledges espoused by most Republican candidates in the November 8 election, saying its promise of tax cuts without offsetting spending cuts did not add up to a balanced budget.

Mr Ray LaHood, a Michel aide who won his seat representing Peoria, Illinois, was one of the few Republicans who did not sign the contract.



## Deaths mount as S African taxi drivers wage war

The killing of five people in Hammanskraal, north of Pretoria, yesterday during a shoot-out between South African police and warring minibus taxi operators has added to a taxirelated death toll that has started to claim more lives than political violence.

Despite calls for calm from the government and repeated attempts by Mr Mac Maharaj, transport minister, to broker truces between rival groups, fierce competition over lucrative routes around the country has resulted in an upsurge in violent confrontation, with hapless commuters caught in the cross-

Police say that 200 people have been killed this year and more than 110 injured as a result of clashes between opposing taxi organisations, dubbed locally as "taxi wars".

In large part this reflects the fact that taxi groupings are increasingly taking on criminal characteristics as shadowy operators hire hitmen to kill their rivals and destroy their vehicles. A report on the issue by the South African Police Services, submitted to parliament ear-lier this month, concludes that the situation is likely to deteriorate further unless there is an immediate clampdown on lawless elements in the indus-

"Taxi associations have developed a distinctive, Mafia-like character to reach economic objectives and to counter economic threats. They frequently strengthen their power bases by using armed units which have no qualms about using violence and com-mitting murder," the police report

lapse of the South African Black Taxi Association in September 1993. Up to that point Sabta, which was formed in 1986, had been able to act as a loose umbrella for the industry's many regional associations.

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It had managed to sort out many con-

flicts internally. But even if an attempt, currently under way, to revive Sabta is successful, it leaves unresolved the underlying economic causes of the conflict.

When the minibus industry started in the early 1980s it was hailed as an example of successful black entrepreneurship and by 1990 had managed to claim 44 per cent of the black commuter transport market. Since then the situation has changed

drastically. Although no accurate figures of its size exits, analysts estimate that the industry is worth somewhere between R5bn and R8bn (£909m-£1.45bn) and employs more than 70,000 people as drivers and ancillary workers. However, since 1990 the number of taxis has continued to grow while the number of commuters has dropped slightly because of the recession.

The result is a classic case of an overcrowded market there are too many taxis and too few commuters.

The obvious solution for the government is to impose strict regulation on the industry, cortailing the number of

operators on big routes.
However, Mr. Maharaj is constrained
by the fear of causing further job losses
and concern that tighter regulation will merely increase the number of pirate taxis in operation. This would exacerbate the violence rather than help elim-

## Financial teams set out to win converts

South African officials set out for the world's financial centres today to prepare for a return to foreign capital markets after a two-year absence, finance minister Chris Liebenberg said

yesterday, Reuter reports from

Johannesburg. He emphasised the mission was not designed to raise funds yet, but to pave the way appropriate. He said the high-powered roadshow was the first opportunity the government, which took power after the country's first all-race elections in April, had had to go abroad to market the country's policies and

philosophy. The officials would use the credit ratings assigned to South Africa in October by American and Japanese risk

assessment agencies "to establish ourselves in the minds of potential investors". Moody's Investors Service and Nippon Investors Service gave the country investment grade ratings, while Standard & Poor's gave it its top

peculative ranking, with a positive" outlook. The ratings will enable South Africa to tap a wider

investors than would otherwise be possible. Mr Liebenberg said three teams of officials would travel to Europe, east Asia and the US. Apart from Mr Liebenberg, they would include Reserve Bank governor Chris Stals,

deputy finance minister Alec Erwin, and labour minister Tito Mboweni. The officials would be

tatives of Goldman. Sachs and Swiss Bank Corporation. which have been named lead managers for the country's

first global offering.
The national budget for the 1994/5 fiscal year ending in March provided for RL 8bn (£327m) in possible foreign loans, but Mr Liebenberg said South Africa did not need to berrow abroad to meet the

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## Quebec separatist ardour cools

separatist government has pounced on to promote its case for independence from Canada.

The steadily growing list comes as no surprise. Political observers predicted in the tion that the Parti Québecois would waste no time shaking every tree it could to prove that the francophone province was getting a raw deal from

the rest of the country. The surprise is that the shak-ing has so far borne little fruit. The skirmishes have generated endless articles in the Quebec media about alleged slights and inequities. On several occasions the PQ has succeeded in putting the federal government in Ottawa on the

However, Québecois appear to be unimpressed. According to the latest opinion poll con-ducted by Leger and Leger of Montreal, support for sovereignty (which, in the Quebec context, has the connotation of a "soft" form of independence) has slipped to 40 per cent from more than 50 per cent before the election. Other polls put the number as low as 33 per

The issues which the PQ has seized on in the past two months illustrate both the opportunities and the pitfalls of beating the separatist drum.

Even before taking office the PQ kicked up a storm over a federal plan to trim defence spending by closing the Col-lege Militaire Royal at Saint-Jean, south-east of Montreal.

A military college, a trade mission to China and an ailing St Law-the past few months have

The confrontational tactics of isation for a campaign starting early next year.

But there is a growing feeling in Montreel that the government of the past few months have among the disparate issues which Quebec's newly elected failed to produce the desired results, writes Bernard Simon

> The college is the armed nesses sort out their own prob-forces' only training centre for lems, has so far declined to French-speaking officers.

Quebec's protests have forced Ottawa to offer a compromise, which would allow the facility to stay open as a language school. The PQ has rejected the proposal. It has offered instead to pay itself for St-Jean to remain a military training college. But by doing so it has laid itself open to concerns that it is preparing to

organise a Quebec army. On another front, Mr Jacques Parizeau, PQ leader and premier, refused to join a trade mission to China earlier this month which was led by prime minister Jean Chrétien and included the premiers of all nine other provinces. Mr Chrétien at first appeared

on the defensive by refusing to accept Mr Parizeau's suggestion that Quebec's deputy pre-mier go in his place. In the end, however, the mission's success - including contracts signed by several high-profile Quebec companies - did the separatist cause no good.

The latest fuss has erupted over the future of MIL Davie, a Quebec City shipyard. The company is on the point of collapse, unless it receives new government contracts or an infusion of cash for a modernisation programme.

The cash-strapped federal government, in keeping with a policy of letting troubled busi-

come to the shipyard's rescue. The PQ has lambasted Ottawa for putting 2,300 Quebec jobs in jeopardy, and has offered to put up C\$60m-C\$70m (£28m-£32.7m) of its own taxpayers' money for a new ferry, which would keep the shipyard in business for at least the next few years. Mr Michel Vennat, a

lawyer who heads the Council for Canadian Unity, says that "the population knows that they [the PQ] are fabricating these issues to some degree. I don't think the mood of the province is to pick fights." nother observer suggests that Québecois are as fed up as

English-speaking Canadians with the interminable debate over the francophone prov-ince's place in Canada. This view is reflected in the refusal of both Mr Chretien and the provincial Liberal party, which was defeated in the recent elections, to assuage Quebec nationalism by reopening the constitutional talks which have been a hallmark of Canadian politics for the past

Despite his apparent inabil-ity to win converts to indepen-dence, Mr Parizeau has so far stuck to his pre-election promise of a sovereignty referen-dum before the end of 1995. The PQ is gearing up its organ-

But there is a growing feel-

ratists may be forced to change tack if the confrontational tactics of the past few months fail

The party has long been divided between hardliners and those who favour a more cautious drive towards independence. Among the latter is Mr Lucien Bouchard, leader of the Bloc Québecois, which represents the separatist cause in the federal parliament. Mr Bouchard, the most popular politician in Quebec, has already hinted he is uncomfortable with the referendum dead-line set by Mr Parizeau.

However, a shift in strategy would require some agile footwork by Mr Parizeau, and could risk deepening divisions in the party. The alternatives include delaying the referendum, or framing the question so vaguely that even a Yes vote would fall far short of a mandate for outright indepen-

dence. Some political observers suggest that the PQ may even adopt a more conciliatory approach to the rest of the country. This prediction is reinforced by the impression that last September's election result reflects Québecois' desire for better government and some extra areas of provincial jurisdiction, rather than

the risks of independence.
Whatever course the PQ chooses, one conclusion is hard to escape. It seems increasingly unlikely that Canada's most vexing question - will Quebec stay or leave? - will be conclusively answered within the next 12 months.

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By Roderick Oram,

A Commons committee of MPs yesterday rejected on economic and health grounds a call by brewers to halve beer duty to curb cross-Channel imports and stimulate flag-

The Treasury select committee argued. said imports of alcohol and tobacco were "not seriously undermining receipts of excise duty". But it cau-tioned Mr Kenneth Clarke, the chan-

cellor, against widening the differential between UK and Continental

The MPs' report on cross-Channel shopping expressed doubt about the brewers' case. They had argued that the loss of UK beer sales was damaging pubs and off-licences. A cut in duty would revive sales, they

Cross-border shopping is "clearly having a serious impact on the activities of legitimate traders," the MPs said. But "changing consumption

patterns, however, make it exceed-ingly difficult to isolate the loss of sales directly attributable to crossborder shopping". Claims that there is a link "have to be treated with considerable caution".

Moreover, brewers' costs and margins have driven up the price of beer, the MPs said. "Until it addresses these issues, the industry cannot expect the taxpayer to subsidise its operations by reducing excise dutles."

On health grounds, a government

could never consider a large cut in duties if they led to increased consumption of alcohol and tobacco, the MPs said.

They recommended, instead, that the government seek to persuade Continental governments to raise their taxes to make cross-border shopping less attractive.

The report drew an angry response from Whitbread, one of the brewers which has been leading the campaign.

"They're a set of wishy-washy

recommendations from a rushed inquiry which failed to get the facts," said Mr Peter Jarvis, chief executive.

The government has already said it is unwilling to cut excise duties. The chancellor indicated in last year's Budgets that alcohol duties were unlikely to rise faster than

The MPs found a closer link between tobacco imports and damage to the domestic industry, most particularly in tobacco for handrolled cigarettes. Tobacco accounted for the "vast bulk of smuggled goods" and the high profits had attracted "serious criminals".

The MPs recommended that the Customs service deploy "substantially increased" staff to try to stem the illegal import of alcohol and tobacco.

The National Union of Civil and Public Servants warned yesterday, however, that the Budget next Tuesday would include proposals to cut 4,000 jobs out of the service's 25,000.

## Adams steps up pressure for talks

PARTY TIME

Mr Gerry Adams, the Sinn Féin president, has stepped up his efforts to force the pace of the Northern Ireland peace process. He sent a letter to Mr John Major setting out his agenda for talks between the British government and Sinn Féin, David Owen and John-

Murray Brown write. He said he had written to the prime minister to ensure there was no confusion or time lost over arranging such matters as delegations, venues and times". He added: "All of these issues can and should be sorted out now."

Downing Street yesterday confirmed that Mr Major had received the letter but officials were not sure whether he had had time to study it. They said . the government would move ad with talks "at the pace it determined to be correct".

Ministers have said a preliminary dialogue with Sinn Fein would-begin before Christmas, provided the near three-monthold IRA ceasefire held. Talks with loyalist political representatives would start soon after-

Mr Adams told Downing Street that the Sinn Fein team in the talks would be led by Mr Martin McGuinness, a vice-president. He said that the ground to be covered should-include "demilitarisation and

A week ago Mr Adams accused the government of dragging its feet on efforts to forge a lasting settlement in

the province.
Yesterday Mr. Pat Doherty, another Sinn Fein vicepresident, speaking at Dublin's Forum for Peace and Reconciliation, called on both London and Dublin to convene allparty talks to find a settle-

Fine Gael, the Irish republic's main opposition party. said explosives and guns had to be decommissioned before full political talks involving Sinn Féin could start.

#### Company failures continue to fall

Company failures continued to fall in the third quarter, fig-ures from KPMG Peat Marwick, the accountancy firm, show. A total of 6,140 bankruntcies was recorded in the quarter, a fall of 14.4 per cent compared with the same period last year. Liquidations fell 15.3

cent to 3.62 The recovery recorded by KPMG is not even across the country. The north-east saw a fall of nearly 20 per cent in liquidations between the second and third quarter while the Midlands and north-west

saw increases. Mr Tim Hayward, head of corporate recovery at KPMG, said: "A year ago the recovery was at a very fragile point; there is a more robust feeling in the economy now and com-panies, with the support of their banks, are gearing up for an improving economy.'

#### Royal household to publish accounts

Buckingham Palace is to publish annual accounts detailing how £20m of taxpayers' money is spent running royal palaces. The first annual report will be published in July.

This follows a call by the Commons public accounts committee in September for greater "public visibility" of how public money was spent at the royal palaces. Yesterday the government recommended publication of the royal house hold's annual accounts.

The palace said the royal household had nothing to hide

## Gas boss's pay 'adds £1.6m to pension cost'

By William Lewis

The £205,000 pay rise recently awarded to Mr Cedric Brown, chief executive of British Gas, has increased the cost of providing him with a company pension by about £1.6m,

according to a study. Mr Bryn Davies, an actuary who advises trade unions on company pension schemes, said the current value of Mr Brown's future pension payments was £3.9m, compared with £2.3m before he received the 75 per cent rise in basic

Mr Davies said: "The value of his expected pension, like his pay, has gone up by more than 70 per cent. I have calculated that his pay increase has pushed the worth of his pension benefits up by a further

Details of Mr Brown's pay rise emerged last week. His basic pay has been increased to £475,000 from £270,000. Other executive directors of British Gas received rises of up to 50

Mr Brown is a member of the British Gas staff pension scheme which provides pensions depending on members' earnings just before they

Mr Davies's calculations assume that Mr Brown, 59, will retire in just over two years' time. British Gas said that he had at least 35 years' pension heme service.

Mr Brown contributes 4 per cent of his basic salary into the scheme each year, so his £205,000 pay rise means he will be paying more into the pen-

Asked to comment on Mr Davies's calculations, British Gas said yesterday that Mr group pension scheme with a common contribution rate so we do not define the costs for

Sir Anthony Beaumont-Dark, chairman of TR High Income Trust which holds 400,000 British Gas shares, said he would be writing to British Gas asking for an explanation for the

increased pension costs. He said: "If we do not get a satisfactory response then we will consider using our votes in the appropriate manner at the company's annual general

Trade union officials representing industrial workers at British Gas have submitted a claim for a pay rise next

Mr Donald Macgregor, a senior GMB union official, said yesterday that it was likely that Mr Brown's pay would affect of negotiations. He said: "It is inconceivable that such over-the-top treatment for a chief executive can be ignored by industrial employees."



Greenpeace protesters yesterday tried to stop the nuclear submarine HMS Vanguard from leaving its dock at Faslane near Glasgow as it was moving to a nearby dock at Coulport to have its Trident II nuclear warheads loaded for the first time, Bernard Gray in Faslane

A Greenpeace tug. Solo, and inflatable rafts tried to block Vanguard's path through a narrow channel in Gare Loch, which leads into the river Clyde. The protesters also attempted to tie a fishing net across the bows of the sub-marine. The net was removed by Vanguard crew members (above).

Vanguard, Britain's first Trident submarine, was en route to Britain's main nuclear weapons storage base at Coulport. The submarine has completed its trials and nuclear warheads are being

## Trident submarine escapes protest net

added to its missiles in preparation for be raised out of the water on a giant its first deterrent patrol due to start in the next few weeks.

A small group of anti-nuclear protestors also demonstrated outside the gates of the Faslane submarine dock as Vanguard began its early morning voyage which marked the start of its effective operational deployment.

To load the warheads on to Vanguard's missiles, the 16,000-tonne submarine, which is almost as large as the Invincible class aircraft carriers, will 85,000-tonne floating dock and shiplift. Raising the boat will take several

The delicate task of fitting the warheads will begin today and last until the middle of next week. The floating dock and shiplift are needed to provide maximum stability and to avoid an accident while loading the plutoniumpowered, thermo-nuclear bombs. After completion of final tests once the warheads are fitted, Vanguard will

begin its first operational patrol, replacing one of Britain's two remaining Polaris nuclear submarines.

Cmdr Peter Wilkinson, who will captain Vanguard's first patrol, said he was "well aware of the awesome responsibility which [he] carried". He added that in spite of the end of the cold war the nuclear deterrent fleet carried out its mission exactly as it had

Cmdr Wilkinson acknowledged, however, that following an agreement between Mr John Major, the prime minister, and President Boris Yeltsin of Russia, the submarine's missiles were aimed on an empty spot in the ocean. Switching the missiles to military or civilian targets would take "a finite amount of time". Just how finite was not made clear. Photograph: Reuter





### **SPOT THE REFUGEE**

There he is. Fourth row, second from the left. The one with the moustache. Obvious really.

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refugee it can mean everything. UNHCR is a strictly humanitarian organization funded only by voluntary contributions. Currently it is responsible for more than 19 million refugees around the world. UNHCR Public Information

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#### **Postal** sell-off lacked fan mail

By David Owen

Only a small fraction of responses to the government's consultation paper on the Post Office were in favour of privatisation, Mr Tim Eggar, indus-try minister, disclosed yester-

day. Mr Eggar said in a parliamentary written answer that about 60 responses - or less than than 0.4 per cent of the 15,400 received - were "positively in favour" of full or partial privatisation. He said most replies took the

form of "standard form" letters and postcards issued by organisations campaigning against the government's proposals. Ministers were forced this month to cancel plans to pri-vatise the Royal Mail letters

division of the Post Office because of the implacable opposition of a small number of Conservative backbenchers. Mr Eggar was replying to a question by Mr Gordon Prentice, Labour MP for Pendle. Labour has indicated it intends to inflict fresh embarrassment on the government by inviting Tories who opposed a sell-off to back a Commons motion giving the Post Office greater

## Fayed cleared over allegations of blackmail

By John Mason. Law Courts Correspondent

Mr Mohamed Fayed, chairman of Harrods, was cleared yesterday of allegations that he attempted to blackmail the government in the controversy over MPs accepting money to ask parliamentary questions.

The Crown Prosecution Service announced there was no evidence Mr Fayed had committed any criminal offence, and that police would not investigate further. The allegations centred on a

meeting on September 29 between Mr John Major, the prime minister, and an intermediary - widely believed to be Mr Brian Hitchen, the Sunday Express editor.
The intermediary said Mr

Fayed wanted a meeting with Mr Major to discuss the Department of Trade and Industry report on the takeover of the House of Fraser. He was also said to be contemplating passing on allegations about the conduct of ministers. Mr Major told MPs he had passed a note of the meeting to the prosecution service.

The CPS said: "Having considered the available evidence . . . it does not disclose

the commission of any criminal offence by Mr Fayed." Mr Fayed, who later made a

series of allegations about Tory MPs through The Guardian newspaper, said: "Allegations were made about me...that were unfair and untrue and to which I could not respond during the currency of the inquiry. I trust that the prime minister will take the earliest opportunity to set the record straight."
Mr Fayed's cash-for-ques

tions claims against Mr Neil Hamilton, corporate affairs minister, forced him to resign although he denied the allega-tions. They also led to the res-ignation of Mr Tim Smith, a junior Northern Ireland minister, after he admitted not declaring links with Mr Fayed. Mr Michael Howard, the

home secretary, and Mr Jona-than Aitken, chief secretary to the Treasury, were both cleared of any impropriety by an inquiry carried out by Sir Robin Butler, the cabinet sec-

retary. Mr Peter Preston, The Guardian's editor, said: "I never thought there was anything to this except another wild diversion - I am glad this has now been acknowledged."

and would be delighted to pub-

£130,000 and £140,000 last year, including performance related bonuses and other benefits. A spokesman at the Building Societies Commis-

sion, the statutory regulator and supervisor of UK building societies, said Mrs Gilmore's cur-

At the Treasury Mrs Gilmore ran the fins

cial institutions division that was responsible

for legislation including the 1979 Banking Act.

She was appointed a non-executive member of

the Securities and Investments Board last year.

rent salary was a little over £60,000.

## Judge lets Lloyd's probe continue

By John Mason, Law Courts Correspondent

Regulators from Lloyd's, the insurance market, can con-tinue with their loss review into syndicates 80 and 843, a High Court judge ruled yester-Mr Justice MacPherson dis-

missed an application by Mr John Macmillan, the former underwriter for the syndicates. for the review to be stopped. Mr Macmillan said that if the loss review continued, it would

prejudice the civil case brought by Names – the individuals whose assets have traditionally supported the market against his managing agency, RAF Macmillan. He said transcripts of his interviews could be used as evidence in

The judge ruled, however, that the public interest in the

Lloyd's of London has appointed Mrs Rosalind Gilmore, chief executive of the Building Societies Commission, as director of its regulatory services department, Ralph Atkins writes.
Mrs Gilmore, who has previously worked at

the Treasury and the World Bank in Washington, will be responsible for overseeing Lloyd's system of self-regulation. The 200-strong department also oversees litigation - a sensitive issue given that Lloyd's is embroiled in several legal disputes with lossmaking Names. Lloyd's would not comment on her salary, but

according to the insurance market's latest annual report her predecessor earned between review being completed out-weighed any possibility that the civil action might be preju-

diced. He said there was no

risk of serious prejudice being

caused and that publication of

the interviews might assist all

About half of the 1,050

Names on the two syndicates

are suing the managing agents

concerned in the action.

Mrs Gilmore succeeds Mr Bob Hewes who was appointed Lloyd's finance director earlier this year, for negligence over losses sustained in the 1988 year of account. They are claiming

The review into syndicates 80 and 843 is expected to be completed and published early in the new year.

damages of £20m.

The ruling provides Lloyd's with general guidelines about

reviews when legal actions are running in parallel. The judge said issues of possible preju-dice would have to be considered in each case. The loss review department

You might be to

is carrying out seven Lawyers for Mr Macmillan

were yesterday considering an proceeding with other loss appeal against the roling

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Pressure
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Adams

steps up .

He added: All of the car and should can and should can now about the now and should can now and street visite the letter had to study it. Then a can talks at the perment would a can talk at the perment have said a man the new have said a man the new have said a man the new the new the new

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## Collapse of bus group prompts MMC probe

and Chris Tiche

The Monopolies and Mergers Commission is to investigate bus services in the north-east of England after the collapse of the municipally owned Darlington Transport two weeks

Sir Bryan Carsberg, directorgeneral of fair trading, yester-day called for an investigation of services in the area. The commission will have six months to make its report to Mr Michael Heseltine, trade and industry secretary.

The Office of Fair Trading emphasised that the investigation would look at all bus services, but Sir Bryan said he was particularly concerned about an offer of free fares by Busways Travel Services, part of Stagecoach Holdings. This was one of the reasons for the demise of Darlington Transport, which is in administra-

The monopolies review represents another clash between Stagecoach and the competition authorities over the tactics adopted by the Perth-based company to further its ambitious expansion plans.

The OFT has launched a number of investigations into potential monopolies in the bus system since the de-regulation of the industry outside London in 1985. Stagecoach, the biggest UK bus operator. has been subject to 20 investigations and received three dverse rulings.

Mr Brian Souter, Stagecoach chairman, denied that the company was anti-competitive and not be repeated.

## merger supported

By Jim Kelly, Accountancy Correspondent

The controversial Bishop

proposals for the restructuring of the accountancy profession yesterday won support from surveys of two of the leading representative bodies. Research by the Institute of lies inquiry in the north-Chartered Accountants in He said: "Our aim is to

England and Wales showed increase bus usage by improving the service quality for passengers. We do this by that 73 per cent of its members were in favour of merging some of the six professional investing in new buses, offer-In order to achieve reorgani-

ing a comprehensive network and introducing new services sation, 58 per cent were willing to share the respected title of "chartered accountant". The The OFT said the investigation would look at competition strongest opposition came from recently qualified membetween bus companies in Tyne and Wear, County Dur-ham and Cleveland following bers under 35.

The Chartered Institute of Management Accountants (Cima) will publish a survey on Monday showing that 90 per cent of its mem to see a reduction in the num-

A similar proportion want the current negotiations under the committee chaired by Mr David Bishop to continue.

Both surveys, while indicating support for ending the confusion and rivalry between the six bodies, point to some

Mr Roger Lawson, president of the chartered institute, said the concerns of younger mem-They are looking for further reassurance, particularly in the area of education and training, before they will willingly share the title of chartered accountant," he said.

The Cima survey shows that 74 per cent want to make sure the audit profession does not dominate management accounting in any new institute. And 59 per cent said they would wish to be called chartered management accoun-

last year, although 13.2 per

cent said revenues had

Business travel was the main

reason for the revenue rise.

Three-quarters of hoteliers said

business travel revenues were

Fewer than half reported a

rise in revenues from leisure

higher than last year.

## Accounts Tackling the numbers problem bodies' Iim Kelly on the profession's troubled search for cohesion

Jim Kelly on the profession's troubled search for cohesion

To the public, accountants are all the same. Proof of this can be seen on a video being shown at a series of accountancy con-

In it people are waylaid in the street and asked what they know about accountants. The answer is very little, beyond a vague idea that the "chartered" ones are trained.

Given this public perception of unity it is ironic that the profession is spending a great deal of time and money trying to achieve a cohesion most peo ple think it already has.

But leaders of the profession are worried that this vague recognition is not enough. They want a "single voice", and a strong lobbying group, to fight against government intervention and steer the profession towards unity in the next

The present structure of the accountancy profession is anything but uniform. There are six professional bodies, six presidents, different training schemes, different qualifications, different headquarters, and different styles.

As Mr Tom Glancy, presi dent of the Chartered Institute of Management Accountants. told a meeting in Solihull earlier this week on proposals to merge the bodies: "It's like six cats hissing over their terri-

tory."
The meeting was one of a series of "pan-professionals" discussing broad proposals for merger, common qualifications, and training.

The mood of the meeting hich was probably more positive towards merger than others held in London and Leeds - was best summed up by Mr David Bishop, the chairman of the working party which produced the prin-

He said: "We can't stay where we are. We can agree on where we want to go. What we can't agree is how to get

By the end of the meeting there was widespread agreement that accountants differed

cent of hoteliers said they

expected employee numbers to

rise in the fourth quarter the

proportion expecting to cut

The consulting group said

that while the high proportion

of establishments planning to

reduce staff numbers was

partly seasonal, hoteliers were

lay employees off during slack

staff rose to 23.4 per cent.



Losing count: An accountant reflects the mood of the profession at a meeting to discuss reform

more within their separate organisations than between them. The principle of rationalaccepted. The details may yet prove intractable.

Mr Roy Loader, a former west Midlands president of the Institute for Chartered Accountants in England and Wales, said that keeping up standards was the hig issue. There might be a "dilution" of standards in a merger.

This produced the most awkward moment of the evening. Heads were shaken in embarrassment and eyes turned heavenwards. Mr Bishop, a certified accountant and a member of the Financial Reporting Council, pointed out: "We have been developing these stan-

Mr David Delve, a practitioner from Birmingham, complained that the process had been "top down and not bottom up. I can see nothing in it for me - am I missing some-

Mr John Sarrington, a man agement accountant from Corby, said: "Will the remaining bodies go on if one of the bodies says no?" Mr Bishop refused to be drawn but omted out that "they are still

all at the table". Mr Bob Fisher, a chartered accountant from Solihull, said a better job was needed on proallowed to "wallow" on the issue. "If we don't get together we shall fail the future and fail our country," he said. Mr Martin Heathcock, from accountant with a certified accountant as a partner, said: "I am very much in favour of these proposals." He won the loudest applause of the even-Mr Mike Robinson, from

Wolverhampton, immediate past president of the chartered institute's district branch, said the damage had been done by the press, which portrayed the so-called Bishop plan as dead. A warning was left by Mr Michael Heseltine, secretary of

state for trade and industry, whose booming voice overlays the beginning of the conference video, exhorting accountants to speak with a single voice but adding with exasperation: "I have been saying this

### Labour attacks 'covert' links

By Jimmy Burns. rd William Lewis

The Labour party yesterday accused the government of "covertly encouraging" business links between Britain and Iraq in violation of the United Nations sanctions regime.

Mr Jack Cunningham shadow trade and industry secretary, said: "We know that a number of British businesses have encouraged Iraqi industrialists to talk about contracts. All this seems to be an abuse of UN mandatory economic sanctions against Iraq." Mr Cunningham

jol

responding to a report in yesterday's Financial Times that British companies were preparing - with the approval of the Department of Trade and Industry - to resume trade with President Saddam Hussein's regime when sanctions are lifted.

The DTI has issued licences to the British organisers of two trade fairs in Baghdad due to start tomorrow. The DTI said last night that it had issued the licences to allow the companies to talk to the Iraqis about humanitarian aid. "We consider this falls within the boundaries set by the UN sanctions regime," a spokesman

Other government departments yesterday distanced themselves from moves to build stronger trade links with Iraq. The Foreign Office said that Mr Stephen Crouch, the director-general of Iraqi British Interests Group, a commercial lobby association, did not represent the government's pos

Mr Crouch was in Jordan on September 3 with Mr Henry Bellingham, the parliamentary private secretary to Mr Malcolm Rifkind, defence secre-

Mr Michael Colvin, chairman of the Conservative foreign affairs committee, said yester-day that he had met Mr Crouch "two or three times" and that he had given informal advice to him relating to UN He said: "What I have been

saying to Crouch is build up contacts with businesses in Iraq if you want, so when sanctions are lifted you are in a position to go." Reports of these growing

business links drew an angry response from the Iraqi opposi-

## Hotels find room for optimism

ndustries Correspondent

The confidence of hoteliers markedly in the third quarter, boosted by an increasingly optimistic outlook in Northern Ireland, according to BDO Hospitality

The proportion of hoteliers optimistic about the next three compared with 73.8 per cent in the second quarter.

and selective discounts."

complaints from other bus

atory pricing and putting excessive numbers of buses on

a particular route to force com-

petitors to withdraw from the

market in Darlington and

Sir Bryan said: "I believe

that [the Busways' free fares]

offer may have contributed to

the decision of Darlington

Transport to cease operating.

Efficiency of operation should

determine who should provide

the service, not possession of

the resources to oust competi-

Mr David Walsh, chairman

of Cleveland County Council's

transport committee, called for

a meeting of local bus compa-

nies to avoid "a full-scale bus

If the MMC finds that there

is a monopoly which acts against the public interest Mr

Heseltine has the power to

order the abuses to be reme-

died or to ask the OFT to

obtain undertakings from the

offending company that it will

war" in the county.

The allegations include pred-

operators about Busways.

The consulting group said the figures had been lifted by the ceasefire in Northern Ireland. All respondents to the survey in Northern Ireland said they were optimistic. More than three-quarters of

UK hoteliers said they expected to increase their room rates

Most said their revenues 30.3 per cent of hotels in the months rose to 80.5 per cent, were ahead of the same period third quarter but fell in 14.5 periods.

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#### **BUSINESSES FOR SALE**

CALL FOR EXPRESSION OF INTEREST FOR THE PURCHASE OF THE GROUPS OF ASSETS OF LN. STASINOPOULOS A.E.B.E of Athens, Greece

"ETHNIKI KEPHALEOU S.A. Administration of Assets and Liabilities", of 1 Skouleniou Str., Athens, Greece, in its capacity as Liquidator of "LN. STASINOPOULOS A.E.B.E", a Company with its registered office in Athens, Greece (the "Company"), presently under special liquidation according to the provisions of Article 46a of Law 1892/1990 by virtue of Decision 5069/94 of the Athens Court of Article was of Law 1074 1370 by Value of December 2007 of the purchase of one or of this Notice, non-binding written Expressions of Interest for the purchase of one or

BRIEF INFORMATION

The Company was established in 1953. In 1978 it became bankrupt and on 3.11.94 is was placed under special liquidation according to the provisions of article 46s of Law 1892/1990. Its objects included the production of pipes and metal constructions.

GROUPS OF ASSETS OFFERED FOR SALE

 A factory, standing on a plot of 13,064 sq.m. located at "Vouso" or "Hamostema" in the Moschato Muncipality between the following streets: Levidi, Xyao, Handri and 245 Pineus Str. The plant's machinery and mechanical equipment, as well as the Company's trade name are also included in this group of assets.

 A factory, standing on a plot of 3,438 sq.m. also located in the Moncheso Municipality, between Leffas, Handri and Cyprus streets, together with the machinery and mechanical equipment contained in it. It should be noted that both of the above factories are being rented by third parties since

SALE PROCEDURE

The sale of the assets of the Company shall take place by way of Public Auction in accordance with the Provisions of Article 46a of Law 1892/1994, as supplemented by art.14 of Law 2000/1991 and subsequently amended and the terms set out in the Call for Tenders for the purchase of the above assets, to be published in the Greek and foreign

SUBMISSION OF EXPRESSIONS OF INTEREST -OFFERING MEMORANDUM - INFORMATION

For the submission of Expressions if Interest, as well as in order to obtain a copy of the Offering Memorandum for each of the above groups of assets, please contact the Liquidator "ETFINIKI REPHALEOU S.A. Administration of Assets and Liabilities" 1 Skoulonou Str. 105 61 Athens Greece, Tel.-30-1-323.14.84-7, fax: +30-1-321.79.05 (alteration Mrs. Marks Frangakis) or the Liquidator's agent, Mr. George Gra 1 Economou Sc. 106 83 Athens, Tel.+30-1-330.08.74

CORRECTION OF INVITATION TO TENDER FOR THE HIGHEST BID FOR THE PURCHASE OF THE GROUPS OF ASSETS OF "METALLURGIKI HALYPS SA" OF ATHENS GREECE

The above mentioned invitation to Tender for the Highest Bid for the Purchase of the groups of Assets of "METALLURGING HALYPS SA" which was published in the same newspaper on 4th and 5th of November 1994 is hereby corrected concerning the brief description of the 2nd of the groups of assets 2. OTHER ASSETS. These include the following:

 A storage building of 1,500 m² and the ½ pro-indivise of other 2 storage buildings of 1,965 and 1,000 m², respectively, which are "separate vertical pro-indiviso properties" standing on a plot of land of 7,980 m" located in the Local Authority of N. Menemeni, Thessaloniki.

Authorities of N. Moudania, Challddid, and o. Agricultural plot of land amounting to 4,312 m² in the same area as plot (b).

p. Agricultural plot of land amounting to 12.875 m² at Simandra of Local

## Disabled may get cash in lieu of community care

By Andrew Adonis Public Policy Editor

The government vesterday announced plans to devolve some of the funding for disabled people from local authoriallowing them to purchase their own care for the first

Mrs Virginia Bottomley. health secretary, said cash payments would initially be limited to "a relatively small group, probably those disabled people who are able and willing to manage their care".

The devolution of funding will require legislation, and

could pave the way to a more give disabled people greater radical shift of funding as an extension of the government's care in the community programme. The funding proposal follows

disabled people against discrimination at work.

Mrs Bottomley said the funding legislation would be permissive, enabling but not obliging local authorities to make direct cash payments to some disabled people in lieu of

community care.

She said: "Direct payments are a logical extension of the Citizen's Charter. They will

independence and choice and involve them and their carers more fully in their own care." She conceded, however, that the making of direct payments

"carried some risks". Local responsibility for deciding whether to make payments. "There will be no overlap with social security benefits," she The health department

refused to be drawn on the amounts it would like to see devolved to individuals, stressing that it still had to consult with "key interests to make sure the details are right".

Mr Hoshya Zebari, an executive council member of the Iraqi National Congress, the main opposition grouping, said: "Trade delegations by British and other European businessmen are very detrimental to the cause of the majority of the Iraqi people. This kind of business-as-usual attitude has encouraged Saddam to go to war in the past."

## Moves to cut London Jobcentre staff

Staff in the government's employment service in London and the south east are being urged to take unpaid leave over Christmas or cut their working hours because of overspending in the service's budget and the drop in the volume of work because of falling

Mr David Lifton, the service's deputy regional director, says in a letter to 11,500 Jobcentre staff that the situation bers of unemployed in the region have fallen much faster than anticipated. Mr Lifton tells staff that the

service will have to shed staff because of the continuing fall in unemployment. He adds that the service has laid off 750 casual staff as a cost-cutting measure but is replacing them with staff from offices outside London who are

travel allowances and £20 per The abolition of casual

staying at hotels and given

contain spending and match staff levels more closely with workloads. Paid overtime has also been ended.

The London and south east region is offering a number of options for staff who might be considering work breaks or a reduction in their working hours. This can involve unpaid leave from December 5 to January 5, unpaid leave during January to March, or a cut in hours and/or the possibility of

a job share.

worker contracts is aimed to Department of Employment said no other region was suffering from the same problem as London and the south east. Mr Ian McCariney, Labour's shadow employment minister, accused Mr Michael Portillo,

> spending of his own department". He said: "It seems to be a complete shambles. There must be a full, frank and public explanation about how this farce has been allowed to come

the employment secretary, of being "unable to manage the

A spokesman from the

**OBITUARY** Bill Whitbread: leading brewer

Colonel Bill Whitbread, who has died aged 93, was one of the leading family brewers of capacity, and the establishthe 20th century.

While typifying the old family brewer of an earlier age - a landowner with a love of hunting, shooting and riding - he took his family business into a more modern age with a jolt in the 1950s and 1960s. As chairman of Whitbread &

Co from 1944 to 1971 he reorganised the company's antiquated financial structure and devised a shareholding formula, based on A and B shares and a separate investment company, which preserved family control while providing for the injection of muchneeded capital.

He invented the "Whithread umbrella", a series of equity capital exchanges which enabled more than 30 family brewing companies threatened by takeover to shelter under Whitbread's wing. Later, when circumstances forced the abandonment of the umbrella, he led his company in a deter-

ent of national beer brands. Whitbread was the great-

great-great grandson of Samuel Whitbread, who founded the company in 1742, and the son of H.W. "Harry" Whitbread. Educated at Eton and at Corpus Christi Cambridge, where he studied history, he trained as a brewer at Truman Hanbury Buxton in Burton-upon-Trent (1921-23), then worked at Fisons' Thetford maltings before going to Whitbread headquarters at Chiswell Street, London, in 1924.

He became a managing director in 1927 and served on the board until 1979. The year 1927 was significant for the com-pany because Whitbread embarked on a big expansion in south-east England by acquiring three Kentish breweries and the Mackeson stout brand.

His absence on military service during the second world war weakened the company's brewing was required to maintain its output with depleted manpower and depreciating capital resources. It was in the difficult post-

war years that "Col Bill" came into his own. In 1948 he steered through the reorganisation of the company's capital. A quarter of the equity was placed on the market by Barings and Schroders. Six years later Whitbread Investment, a wholly owned subsidiary, was established to acquire the umbrella shareholdings. This became the vehicle for the directors' retention of a controlling interest in the expand-

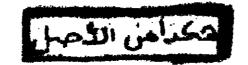
ing company.

Described by the company's historian as a "fireball", Whitbread could be impatient and rude. Perceptive about the industry, but strongly wedded to family loyalties and pater-nalism, he needed a foil. This he found in F.O.A.C. "Alex" Bennett, who succeeded him as

chairman in 1971. The Whithread-Bennett partnership set the company on the right road in the turnoil of mergers and acquisitions which characterised the industry from the late 1950s to the early 1970s.

Under Whitbread the company was transformed from a relatively small, under-capitalised concern - in spite of its claims to "national" status – to one of Britain's big six brewers. The umbrella certainly protected the independence of some companies. For others, it was the first step to full merger with Whitbread in the more competitive conditions of the 1960s. More than 23 companies were acquired in the period 1961-71.

The merger programme strained the company's management resources, while the acquisition of numerous small productive sites necessitated a comprehensive programme of rationalisation. Yet while the company had to transform its organisation to match its growth, it always had a reputation for sound management.



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## Bids sought for adviser to Railtrack sell-off

Used cars pull away

By Micholas Denton

Leading investment banks were yesterday invited to bid to advise on the privatisation of Railtrack, the company running British Rail's track, signalling and stations.

The government has given invest-ment banks between two and three weeks to submit proposals. It then expects to decide by Christmas.

get tough

on gas

By Kevin Brown,

air pollution.

clent vehicles

guzzlers

Political Correspondent

The Liberal Democrats yes-

terday proposed a dramatic cut in vehicle excise duty for smaller cars, combined with an

increase in petrol taxes, to

reduce traffic congestion and

als that a rise of 20p a gallon in

fuel duty would fund a £120 a

year cut in duty for cars up to

Mr Matthew Taylor, environ-

ment spokesman, said the pro-posals would shift the burden

of taxation away from car own-

ership on to "excessive" use,

especially by owners of ineffi-

He said that the UK's "addic-

tion" to big cars cost the econ-

omy up to £17bn a year,

compared with revenue of

Mr Taylor said that the com-

bination of a £10 duty and

dearer petrol would cut motor-

ing bills by £75 a year for aver-

age rural drivers, £90 for aver-

age urban drivers and £85 for

drivers travelling less than

7,000 miles a year. Costs would rise by £60 for

the average driver of a 2,000cc

car, but would fall by £135 a

A business driver averaging

20,000 miles a year in a 2,800cc

car at 24 miles a gallon would face an extra bill of £165. Own-

ing a 1,500cc car would save

year for a 1,300cc vehicle.

this driver £55.

The Railtrack privatisation is the last significant sell-off for the foreseeable future. The mandate represents a last chance for banks to build a record for advising on priva-

There is nevertheless some concern that rail privatisation will get caught up in the political battle in the run-up to the next election.

at Samuel Montagu, the merchant bank, said: "I think that anybody who works for government has to recognise that there are political considerations as well as the

vagaries of the market.'

Leading contenders are thought by the investment banking sector to include the UK houses with long track records in privatisation.
These include Kleinwort Be

of the electricity industry.

It believes that the experience of restructuring a sector before sale will prove particularly relevant to the Railtrack bid. Kleinwort laid claim to expertise

in the sector with an analyst's report putting a real market value on Railtrack of between £3.3bn and

in conjunction with James Canel. its sister broker, and perhaps a third party, notwithstanding its role in advising the government on rail pri-

vatisation in general. S.G. Warburg, the Barings group, and Schroders are also believed to be potential bidders.

But Barclays de Zoete Wedd. which some tipped as a competitor,

said it did not think it would go for the mandate An executive said: "It is going to be quite difficult and terribly resource-intensive." BZW is already involved in the flotation of coal

company RJB and several other pri-vatisation-related transactions. NM Rothschild is unlikely to make a bid as it already advises Railtrack on privatisation.

## forecasts pass 4% mark

By Philip Coggan, Economics Correspondent

Two leading City securities houses have increased their forecasts for UK economic growth next year to more than l per cent.

correct the UK will enjoy economic growth on a scale not seen since the "Lawson boom" of the mid-1980s.

S.G. Warburg's research team has increased its forecast for 1995 growth from 3.8 per cent to 4.5 per cent - the high-est prediction from the City after a rate of just over 4 per cent this year. The main rea-son for the higher forecast is a better export performance.

The long-term trend growth rate of the economy is normally believed to be between 2 per cent and 2.5 per cent, Economists say a long period of above-trend growth - such as from 1985 to 1988, when growth was 4 per cent or above in every year – eventually brings inflation.

That has certainly been the view of the team at UBS, led by Mr Bill Martin UBS has increased its 1995 GDP growth and parts and accessories, fell forecast to 4.25 per cent. 1 per cent to £11bn, with exports outside the EU rising

But while UBS previously felt that the economy would overheat next year, it now predicts this problem will not occur until 1996. "This forecast change therefore offers postponment rather than absolution from a day of reckoning,"

said Mr Martin. The S.G. Warburg team thinks that underlying inflation (excluding mortgage interest payments) will be 3.3 per cent in the fourth quarter of next year and 3.2 per cent in the fourth quarter of 1996. Such a modest acceleration would still mean that the government failed to achieve its aim of reducing inflation to the lower half of its 1 per cent to 4 per cent target range by the end of this parliament

Meanwhile, a third securities house, Kleinwort Benson, has also increased its GDP forecast for next year, but only to 2.7 per cent from 2.2 per cent.

## Lib Dems | The price 1s wrong for some motorists

John Griffiths on why sales to private car buyers are declining

The motor trade is starting to fear that sales of new cars to private buyers are plunging not because of a lack of consumer confidence, but because of discontent with high prices and depreciation.

The party said in a policy paper ileshing out aspects of its alternative budget propos-Evidence is mounting that private motorists who can afford to buy new cars are instead buying cars which are one or two years old. This leaves the heaviest burden of depreciation to be borne by the companies which bought them new - often at deeply discounted prices which distillusioned private motorists

believe they subsidise.

Professor Garel Rhys, professor of motor industry economics at Cardiff Business School, said improvements to the quality of cars meant that private buyers were finding such second-hand purchases largely problem-free, and many might never return to the new car market - "at least not until . . . new car prices come down to the value-for-money level offered by cars in North America."

The National Franchised Dealers Association, which represents franchised motor dealers, says that carmakers' "fleets first" marketing priorities means that the average price of a medium-sized family car is £2,000 higher than it would otherwise be.

Mr Alan Pulham, association director, said this reflected two

factors: • The need to fund the discounts, free servicing and other inducements to fleets not normally available to private buyers. These perks were paid for in the main by private motorists paying close to the manufacturer's list price. · Cars available to private

buyers often had higher specifications than they wanted or could afford as they were aimed mainly at fleets. Statistics from the Society of Motor Manufacturers and Traders show that new car registrations rose 8.5 per cent in the first 10 months of this year

to 1.71m, compared with the same period last year. But this was led overwhelmingly by the business car sec-tor - which accounts for nearly 60 per cent of the total with a rise of 15.8 per cent.

Even taking into account the August rush, when private buyers usually predominate, registrations to private buyers rose just 2.2 per cent. If the August factor is removed registrations to private buyers fell 5 per cent in the first half of the year, in spite of a 14 per cept rise in total registrations. But a more telling pointer to

a consumer revolt comes in the

latest quarterly statistical bul-letin from HPI, the motor trade

shows that the number of new cars bought on credit is ahead of last year but that the rate of increase has fallen in each of the past three quarters. Many businesses, as well as

The motor industry's balance

of trade deficit nearly doubled

last year to £5.1bn from £2.8bn

The deterioration came in

spite of UK vehicle production

reaching its highest level for

It was caused mainly by

vehicle markets in continental

Europe suffering one of the

finance organisation. This

private motorists, buy new

in 1992, John Griffiths writes.

cars on credit. So the wes ing of new cars bought on credit understates the rate of decline among private buyers. In contrast, purchases of used cars on credit have been rising for most of the past year. HPT's data for last month shows another year-on-year

steepest falls since the second world war.

This restricted UK exports, while simultaneously focusing continental manufacturers attention on the UK rehicle market, the only major one in Europe to experience growth

last year. Car exports by value increased 10 per cent to

rise of 11.1 per cent - almost twice the new car level. Carmakers have made much of price cuts - or at least the absence of sizeable price increases - as showing flerce competition.

An analysis by Sewells International, the motor-trade monitoring group, concludes, how-ever, that the price restraint is more apparent than real. The analysis shows the list price of a typical best-selling car to have risen just 3.7 per cent between 1991 and 1994. In that period the 10 per cent special 57 per cent in the value of exports to non-EU destinations and a reduction of only 1 per cent to other European Union states. This was more than offset by

£4.5bn, including a rise of

car imports, which rose 21 per cent in value to £7.9bn. The total value of exports, including commercial vehicles

car tax has been removed and

average new car should be around 13 per cer cent cheaper because of the abolition of special car tax and the introduc-tion of lower dealer margins." Prof Rhys said that the view of private buyers that they

dealers have had their profit margins cut - slashing the discounts they could offer private The study concludes: "The

were subsiding fleet buyers was misguided because the sheer size of the fleet market

helped to cover costs which

would otherwise fall on private buyers. But the crunch for car-

Europe.

36 per cent to £3.6bn. How-

ever, total imports rose 16 per cent, to £16.1hn.

The deficit is expected to

have fallen during this year.

mainly as a result of continu-

ing recovery in continental

makers, he said, was that their costs were too high and that "for the first time British buyers are becoming aware of the car value that Americans get for their money."

He added: "Prices of new

cars in Europe must come down in real terms to North American levels. That's when the fur will fly. There are simply too many carmakers in Europe and they can't all sur-









### HOW EVOLVED IS YOUR LONG HAUL AIRLINE?

If the majority of long distance travellers have anything to declare on arrival. it's usually the wish that they'd been treated a little better. With service at their convenience, not the flight attendant's. And an attitude more akin to "What can I do for you?" rather than "What do you want now?". South African Airways flies some of the world's longest nonstop routes.

Which means we have to regard certain elements of our service as fundamental requirements, rather than competitive "edges". Good food, for example. In recognition of both quality and the rich variety of our menu. a worldwide award almost exclusively dished out to fine restaurants, the 'Chaine des Rotisseurs' Blazon Shield. has been awarded to SAA for its culinary fare. And our wine list, which reflects the Cape's most outstanding wines, has been rated among the five best in the world by the much-trusted Decanter magazine.

But these elements alone will not allow us to promise you'll feel like the picture on the right. Only the cabin crew can do that. And only if they have the right attitude.

And whilst we appreciate that attitude is in the eye of the beholder, we believe it's not for nothing that SAA has been voted "Best Carrier to Africa"

AFRICA'S WARMEST WELCOME.

#### FINANCIAL TIMES

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Saturday November 26 1994

## Safety first, chancellor

The UK Budget ought, in normal circumstances, to dwarf in significance any parliamentary event that occurs in the same week. This should be even truer now that plans for spending and revenue are announced in one burst of parliamentary fireworks. Yet next week's display will start not with the Budget, but with the Conservative party's flirtation with collective suicide on Monday.

If the government were to lose the vote on UK contributions to the European budget, Mr Kenneth Clarke's day would become a damp squib. People's thoughts would turn at once to the Labour party's shadow budget for "investment, jobs and fairness". Yet Conservatives believe in self-interest. It seems implausible that this motivation will desert them altogether on Monday. Tuesday's Budget will probably still matter.

Mr Clarke has a good story to tell and will tell it with gusto, for in every important respect economic performance has been better this year than the Treasury foresaw a year ago. Then gross domestic product was expected to grow by 2% per cent in 1994, but it grew 4.2 per cent in the year to the third quarter; then the retail price index (excluding mortgage interest) was forecast to rise 3% per cent in the year to the fourth quarter of 1994, but it has risen only 2 per cent in the year to October; and then the public sector borrowing requirement for 1994-95 was forecast to be £38hn while the Institute for Fiscal Studies and Goldman Sachs now forecast it at a little over £30bn.

It is a great story. But it also opens a deep trap. The better the economy is performing and the greater the government's unpopularity, the bigger the temptation to bribe the electorate with dollops of its own money. Once again, there would be large tax cuts at the peak of an expansion. Once again, the necessary tightening of monetary policy would either be postponed or be too little. Once again, a golden opportunity to sustain stable growth would be thrown away.

Higher inflation

From the gap between the yield on conventional and index-linked gilts, investors expect inflation to average 4% per cent in the medium term. For them, therefore, this is another post-recession honeymoon, with higher inflation to follow. Obtaining growth after a devaluation that followed a deep recession is no miracle. But sustaining growth over many years would be miraculous.

The currently unsustainable rate of growth, far from justifying postponement of the tax increases due next financial year, makes them still more important. There is no reason to suppose that the underlying trend rate of economic growth is any faster than was thought a year ago. All that has happened is that the economy is returning to its (unavoidably uncertain) full-capacity level faster than was then expected. Correspondingly, the fiscal position is also improving more quickly than

Fiscal tightening

There are three reasons why there should be no discretionary reversal of the planned fiscal tightening. The first is that on plausibly conservative assumptions about full capacity - the level of output at which inflation would remain stable - the public sector borrowing requirement gross domestic product at that point. This is the most that would appear sustainable in the long term. If anything, the UK should run a tighter cyclically adjusted PSRR than that

Second, it cannot be sensible to approach full capacity at a growth year. Should the further fiscal tightening due next financial year prove too contractionary for the economy, offsetting reductions in interest rates (or, more probably, slower increases) can always be made. Such a further rebalancing would, in fact, be desirable.

Finally, if there are to be the usual electioneering bribes in the 1995 and 1996 Budgets, they need to be made from a more than sus tainable base. While there is no good economic reason to raise taxes one year only to lower them a year later, it may still be neces sary to raise them if the subse quent lowering is politically pre ordained. This is, admittedly, to treat voters as idiots, but maybe they deserve that treatment.

So Mr Clarke should blow the government's trumpet, stick to his announced plans for tax increases and focus attention on imagina tive ideas for fiscal reform. The treatment of savings is a mess. It would be good to wrap tax-exempt special savings accounts (Tessas) together with personal equity plans (Peps). It would be wonder ful if the incentives for the unskilled unemployed to work were to be improved. It would be still more remarkable if the chancellor were to avoid introducing more of the distorting gimmicks that all chancellors love.

Such fireworks are optional What is essential is for the chancellor to avoid falling into the trai of excessive stimulus that engulfed so many predecessors He made the right decisions last time. He should stick to them this

he government finds itself trapped in a political world where a statement of the obvious becomes an extraordinary cabinet suicide pact: where behind every cock-up lurks a dark conspiracy.

Rightwing plotters tour the lobbies of Westminster collecting names in support of a leadership challenge. A Tory deputy chairman finds his private gloom about the party's electoral prospects splashed across the front pages of the newspapers. A vice-chairman is obliged to resign after penning a xenophobic attack on Britain's European partners. Yes, Mr John Major has had another dreadful week.

So the next few days will provide yet another of those all-too-familiar tests of the prime minister's authority. On Monday he faces a confidence vote on legislation to increase Britain's contributions to Brussels. By Wednesday morning he will know whether one of his enemies possibly Mr Norman Lamont, the former chancellor - has mustered the requisite 34 nominations to mount a formal challenge for the party leadership.

The odds are that Mr Major will win Monday's vote with room to spare. The re-election on Thursday of the loyalist Sir Marcus Fox as chairman of the backbench 1922 committee applied a brake on the Tories' slide into anarchy. The broad hint yesterday from Mr Douglas Hurd, the foreign secretary, that the government would offer a referendum before joining a single European currency will provide a line of retreat for the softer rebels.

Mr Kenneth Clarke, the chancel-

lor, will follow by opening Monday's Commons debate with a promise of a clampdown on European Union fraud. The Eurosceptics will be assured that the Treasury's receipts from the imposition of value-added tax on domestic fuel will not line the pockets of crooked Italian wine producers. Even if a dozen irreconcilables were to ignore such overtures and risk expulsion from the parliamentary party, the votes of Mr James Molyneaux's Ulster Unionists would save the govern-

The betting on whether there will be a leadership contest is also on Mr Major's side, but less certainly. A week ago, the notion seemed farfetched. Plenty of his backbenchers would be happy to see Mr Major depart 10 Downing Street. But not enough were ready to attach their names publicly to a formal chal-

Now the mood, if not yet the cold arithmetic, has changed. Mr Major's cabinet colleagues admit a contest is possible. Mr Lamont is said to be ready to exact his revenge for his dismissal as chancellor 18 months ago. No challenger would defeat Mr Major. But he might fatally wound him. Logic dictates the threat will come to nothing, and the odds are still against. But logic is a scarce mmodity these days on the Tory

Amid this hysteria, next Tuesday's Budget has been all but forgotten. It might well pre-empt a leadership contest. Mr Clarke does not have a bag of populist tricks to dispense to the panickers on the backbenches. But the signs are that he will delight the rightwing with deeper spending cuts than predicted. He will also publish projections for public borrowing that offer the chance - if not the certainty of income tax cuts before the general election. Mr Clarke, described this week by one rightwing Tory as "dodgy on Europe but otherwise the best chancellor since the war", is

The self-destructive habit of the UK's Conservative party casts doubt on its will to govern, says Philip Stephens

## Mr Major's dreadful week



Clockwise from left: Prime Minister John Major; Douglas Hurd, foreign secretary; Sir Teddy Taylor, Eurosceptic MP; Norman Lawout, former chancellor; John Maples, Tory deputy chairman; and Kenneth Clarke, chancellor

assured of another jump in his personal rating. Mr Major needs him, but must also envy his chancellor's natural authority.

When the prime minister said 10 days ago that he would not tolerate a rebellion by his party's Eurosceptics over Britain's increased contribution to the Brussels budget, the conventional wisdom backed his judgment. By making the vote an issue of confidence, he would avoid a repeat of the trench warfare that nearly destroyed the government over the Maastricht treaty. He would win quickly and decisively. This time no one could resurrect the accusation of weakness. That was the theory. But once

again the prime minister and his cabinet colleagues - the suggestion of an immediate showdown came first from Mr Hurd and was backed strongly by Mr Clarke - underestimated the party's malcontents. Mr Major has a House of Commons majority of 14, likely to fall to 13 after next month's Dudley by-election. There are up to twice that number of Conservative MPs whose central ambition is to oust him this side of the next general election. If their efforts lead to defeat at the election, they are prepared to coun-

Not all the putative rebels over Europe are driven by personal animosity. Sir Teddy Taylor, the MP for Southend, has honourably him. For them, plotting in the Comopposed Brussels for as long as any-

one can remember. Some are motivated by the con-viction that the next few years mark Britain's last chance to break away from an emerging European superstate. Mr William Cash is widely regarded as a bore but he is a sincere one. Others represent the curious relics of postwar chauvinism who tend to prop up their local saloon bar before tucking into a tra-

No challenger for the Tory party leadership would defeat Mr Major. But he might fatally wound the prime minister

ditional Sunday lunch. Like Mr Patrick Nicolls, the Tory vice-chairman forced to resign after an outburst in his local newspaper, they see Germany as a nation of warmongers and France as a nation of collabora-

But for a determined clique of irreconcilables, Europe provides the most fertile ground on which to prosecute their assault on Mr Major's premiership. They despise him. Their ambition is to depose

mons corridors has become a way of

It was their enmity that forced Mr Major into the position of demanding that everyone around the cabinet table sign up publicly to the threat that the govern would resign if Monday's vote was lost. There could be no question, as some of the malcontents were suggesting, of a defeat leading to nothing more than Mr Major's replacement in 10 Downing Street by Mr Clarke or Mr Michael Heseltine, the trade secretary.

Mr Clarke made the point first in a typically frank briefing for political journalists. The full cabinet had backed the financing deal negoti-ated by the prime minister in Edinburgh two years ago. If it could not get such an international accord through the Commons it could not remain in power. No member of the cabinet honourably could seek to avoid an election by dumping Mr

Even the rightwing members of the cabinet who grumbled initially about the strategy admitted that it was a statement of the constitutionally obvious. But in the present decision would be portrayed as a collective suicide pact. The irreconcilables - who are not noted for their consistency and who have for so long criticised Mr Major as a

weak leader - now accused him of "bullying" his party.
It may be that the prime minister

will never be able to reassert real authority, that after 15 years in office, the Conservative party has become ungovernable. As it staggers from one mishap to another, many within the administration have begun to admit such doubts. The mood in the country will be the critical determinant. The mai-contents feed off the insecurity of the less committed majority on the Tory backbenches. They in turn are driven by fear of losing their seats. The government has been 20 or more points behind in the opinion polls for two years. No past administration has ever made up so much lost ground. Maybe, the waverers say to themselves, a new leader. (and it would be Mr. Clarke or Mr. Heseltine, not Mr Lamont) might just turn it around.

The scale of that task was outlined in the confidential memorandum prepared by Mr John Maples, the Tory deputy chairman, and first published in the FT at the start of the week. This included the observation that large pay awards cause "real offence" to disillusioned Conservative voters. With painfully exquisite timing, the leak of the document coincided with the announcement that Mr Cedric Brown, the chief executive of the privatised monopoly British Gas, had been awarded a £205,000 a year annual pay increase.

ave for his indiscreet language, Mr Maples' broader political assessment contained few suprises. Vot-ers are fed up with the government and it will take more than a litany of populist promises from Mr Michael Howard, the home secretary, to restore the Conserva tives' reputation as the party of law and order. Flooding the hospitals with highly-paid accountants has not enhanced the party's efforts to appear a faithful guardian of the health service.

Nor would anyone who has watched the party's clumsy attempts to destabilise Mr Tony Blair, the newly-elected Labour leader, have been taken aback by Mr Maples' judgment that he poses a threat to the Conservatives' grip on the centre ground.

But it was the memorandum's frank admission that the economic recovery is not delivering a political upturn that struck the most worrying chord with nervous Tory MPs. They should have realised that virtue does not guarantee electoral success. The combination of steady growth and low inflation is not enough for most families to wine out the costs of the recession and of the biggest tax increases since the second world war. For the average Tory voter, living standards, as Mr Maples admits, have been falling

not rising.
On Tuesday, Mr Clarke will assure them that the tide is beginning to turn. Virtue eventually will put money in people's pockets. If the party keeps its nerve, a fifth election victory is still possible. By this time next week, the present storm, like so many before it, might well have abated, giving Mr Major once again the breathing space to begin rebuilding his government's fortunes.

But as the weeks and months by, it becomes harder and harder to see how that will be possible before atmosphere, it was inevitable the an election due in, at most, 2% years. It is too early to be certain the position is irrecoverable. But one thing is clear. The Conservative party must decide whether it really wants any longer to govern Britain.

7.4

### MAN IN THE NEWS: Oscar Luigi Scalfaro

## Italy's ultimate referee

he deepening problems of the Berlusconi government have turned the political atmosphere in Rome venomous and conspiratorial. Wild rumours circulate at high velocity. Emissaries have begun to test new alliances. Knives are being sharpened to settle old scores.

In the corridors of parliament and newspaper newsrooms, the talk has ceased to be whether Mr Silvio Berlusconi can survive as prime minister after being placed under investigation for corruption this week. It is rather of when and how he will go, and which government will come Moving to centre stage is Presi-

dent Oscar Luigi Scalfaro, the 76-year-old head of state and one of Italy's most experienced politicians. From the Quirinale Palace, once the residence of popes, he has been issuing terse statements indicating obliquely how events should unfold.

The president has made no secret of his distaste for the media magnate turned politician, and does not share Mr Berlusconi's view that he can emerge fighting from the current crisis. Although Mr Scalfaro's constitutional authority is limited, his role will be crucial as events unfold. He has the power to dissolve parliament and to ask someone to

form a new government. President Scalfaro is also recognised as the ultimate referee of Italy's volatile political system. Thus he enjoys considerable powers of moral sussion through making his own views known. To this must be added his enormous experience, having entered politics in 1946 in

Italy's first postwar parliament. During the six months of the Berlusconi administration, President Scalfaro has frequently felt obliged to call the premier and his coalition

to order. From the outset, he warned Mr Berlusconi of the potential problems arising from a conflict between his role as premier and his ownership of Fininvest, Italy's second largest private group.

He intervened, for example, to remind the coalition that the RAI state broadcasting network could not become a tool of government. He took the side of the Bank of Italy when government tried to impose an outside candidate as new director-general. And as head of the higher magistrates' council, the governing body of the judiciary, he helped deflect government com-plaints that the magistrates were victimising Mr Berlusconi.

On each occasion, his views have carried more weight than is strictly due to the president, undermining the government's position. Indeed Mr Berlusconi and his supporters see the president as a fifth column working to bring down the rightwing coalition government.

Relations between the president and the government this week came close to getting out of control. President Scalfaro was furious over the tone and content of Tuesday's televised address by Mr Berlusconi, given when he learnt that he was under investigation for alleged corruption while running his business empire. Mr Berlusconi attacked the Milan magistrates for conducting a vendetta against him, and threat-

ened early elections. Presidential aides promptly leaked to the media their views on Mr Berlusconi - "a naturally unpleasant man who believes he is simpatico to everyone". The Berlusconi camp countered, labelling Mr Scalfaro as "the worst of the old Christian Democrats concentrated

in one pill". Matters were made worse when



Mr Giuseppe Tatarella, the deputy prime minister, warned President Scalfaro that he was in no position to moralise when he had his own dirty linen. Mr Tatarella alluded to Mr Scalfaro's links while interior minister between 1983 and 1987 with the discredited intelligence services. His name was frequently mentioned during a recent trial of senior members of the services found guilty of embezzling more than \$50m, who alleged he was aware of their practices while interior minister. This is Mr Scalfaro's most sensitive spot and could yet weaken his position.

However, the president was reportedly so angry at these insinuations, he postponed for 24 hours a formal meeting with Mr Berlusconi to discuss the future of the government. After the meeting, held yesterday, the presidential office refused to comment and it was left to the prime minister to say dog-gedly: "There is no war with the Quirinale and it was a normal discussion as on every other occasion."

However, Mr Berlusconi failed to obtain the message of support from the president he needs to help him survive. He and President Scalfaro are at odds on almost every aspect of how to proceed.

The only common ground seems to be a realisation that a financial crisis cannot be added to the political uncertainty. Both are agreed that priority must be given to passing the 1995 budget through parliament. This means the prime minister need not resign immediately just because he is under investigation by Milan magistrates for as-yet unproven allegations of corruption. But Mr Scalfaro has already begun to sound out the prospects for a successor government. He is against a quick dissolution of parliament, since the last elections were only in March. He wants to build a broad-based government that would look to the Popular party (PPI) - the former Christian Democrats - in the centre and would embrace the former communist party of the Democratic Left (PDS). This new coalition would probably not include the neo-fascist MSI/National Alliance, the current mainstay of Mr Berlusconi's government along with his Forza Italia movement. Its task would be limited to rewriting the defective electoral laws of August 1993 and introducing constitutional reforms.

Mr Berlusconi, in contrast, sees his only real chance of survival in staying close to the MSI/National Alliance and going to the country as quickly as possible. He would hope to cast himself in the role of a victim of the old political system. In this scenario, Mr Scalfaro, elected in 1992 by a subsequently discredited parliament, would be presented

as one of the chief villains. The stage is now set for a showdown between the president and the prime minister. With political guile pitted against an inexperienced premier cornered like a wounded animal, the odds must be on Mr Scalfaro getting his way.

Robert Graham

David Thomas was a Financial Times journalist killed on assignment in Kuwait in April 1991. Before joining the FT he had worked for, among others, the Trades Union Congress.

His life was characterised by original and radical thinking coupled with a search for new subjects and orthodoxies to challenge.

In his memory a prize has been established to provide an annual study/ travel grant to enable the recipient to take a career break to explore a theme in the fields of industrial policy, third world development or the

The theme for the 1995 prize, worth not less than £3,000, is: DOES FREE TRADE THREATEN THE ENVIRONMENT?

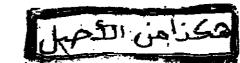
Applicants, aged under 35, of any nationality, should submit up to 1000 words in English on this subject, together with a brief c.v. and a proposal outlining how the award would be used to explore this theme further,

The award winner will be required to write a 1500 to 2000 word essay at the end of the study period. The essay will be considered for publication in the FT.

**CLOSING DATE JANUARY 6 1995** 

APPLICATIONS TO: ROBIN PAULEY, MANAGING EDITOR THE FINANCIAL TIMES (L) Number One Southwark Bridge

LONDON SEI 9HL



## Inequality in society wedding

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Alison Smith analyses the merger plans of the Halifax and the Leeds

announcement yesterday merger plans between Halifax, the UK's largest building society, and Leeds Permanent, the fifth largest, surprised many observers with its timing. But the likelihood of mergers in the sector and the desire of both societies to find partners – is not new.

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However, yesterday's plans have gone further than many expected in the intention that the combined organisation should become a public limited company and seek a Stock Exchange flotation. The benefits of conversion for Abbey National, the first building society to have chosen plc status, have not been so self-evident that any others have since fol-

lowed that path.

Mr Jon Foulds, the Halifax chairman, who will chair the new organisation, was upbeat about the consequences, however: "We propose to create a new force in personal finan-

cial services," he said.

The wooing of Leeds by Halifax began with talks in the spring, after the announcement of an agreed £1.8bn cash bid by Lloyds Bank for Cheltenham & Gloucester building society, the sixth largest.
Leeds had already been to the altar

once recently, in merger talks with National & Provincial Building Society - a move that would have created the UK's third-largest society. When those broke down up in October last year, Leeds was left looking forlorn. At its annual general meeting in May, Halifax made clear it was seeking a marger in pursuit of its mission to be the UK's biggest and best provider of personal financial services. The problem was whether any society would want to be the junior partner. Halifax and Leeds will have to persnade several audiences that they

have ended up with the right match: The members of the two societies - investors and borrowers - who must approve by substantial majorities both the merger and the later conversion to ole status.

northlands, through the spectacular moun-

down to Oslo's humdrum inner

suburbs, the word Neil has

been inescapable in Norway

sides, daubed on cows, flown

from flagstaffs and hung on

banners across streets. One

page picture in a national

newspaper, grinning beside a sign he had erected barring

European Union visitors from

his campsite. A few weeks ago,

a group of women formed "Blondes against the EU".

The passions stirred by Mon-day's referendum on joining

the EU have been exceeded recently only by the Lilleham-mar winter Olympics last Feb-

ruary - when Norway skied off

with a horde of gold medals -and the football World Cup

finals in July, for which Norway qualified for the first time

As the vote draws near, the

confidence of the No camp has

been dented. Its commanding

lead in the opinion polls has

been eroded since Sweden

voted in favour of membership earlier this month. But even if,

as the latest polls suggest is

possible, the Yes campaign achieves an against-the-odds

victory, Norway will have lived

up to its billing as the most

Euro-sceptical of the four

nations due to join the EU next

year. (Austria and Finland,

like Sweden, have voted Yes.)

in more than 50 years.

farmer won himself a front-

It has been carved into hill-

tain valleys and flords.

new organisation will borrow whole-sale funds – at rates that will depend on the judgment of the viability of the merger made by the US ratings agen-

● The capital markets will also have to be convinced that the plans for the future make sense if the flotation is to

Some points in the merger plan have a wide appeal. Members, staff and financial monitors are likely to be pleased with the prospects for growth for the new organisation which will be able to provide a wider range of products to both societies' customers.

Leeds, for example, does not offer a current account with a cheque book; Halifax does, and will want to sell the service to Leeds customers. Within five years, Halifax is likely to want to use the greater freedoms that accompany its new status to produce as well as sell personal lines of general insurance, such as motor and travel.

No cash sum is on offer for mem bers, as a result of the merger, to compare with the share of the £1.8bn on offer from Lloyds Bank to Cheltenham & Gloucester members. But any dismay among members that they will not receive such a bonus is likely to be outwelghed by the prospect of free shares when the merged building society is floated.

The advantages to Halifax of acquiring around 4 per cent of the current UK mortgage market and access to a further 2.5m customers without hav-ing to make a cash hid are clear. The benefits to the Leeds of this deal are much less obvious.

The society will have the advantage of being reunited with Mr Mike Blackburn, the chief executive who left the eds in February last year to run Halifax. And being part of the larger organisation - likely to be the third largest UK high-street bank by asset size - will ensure that it is not squeezed out in the increasingly competitive financial services sector,

The Halifax's contribution to the new group is much the larger - and • The money markets on which the not merely in terms of the £69.9bn it

More gripping than

the winter Olympics

member countries: 25,000 peo-

ple streamed into Oslo in driv-

ing rain and snow to boo Brus-

sels. It was the biggest political demonstration in Norway since

the second world war - even

bigger than any raily during

the campaign in 1972, when Norway rejected membership

of the European Community in

In the Oslo crowd was Mr

Skjalg Jensen, 27, who had

Brussels has a

different culture

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people like us in

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travelled 1,200km from Finn-

mark, Norway's northernmost

county, where the country bor-

ders Russia and the arctic Bar-ents sea. Dressed, like many in

the crowd, in traditional knick-

erbocker trousers and a floppy

felt mountain hat, with the

Norwegian flag sticking out of his backpack, Mr Jensen

declared: "The question of join-

an earlier referendum.



	Halfax	Leeds	
tal mesets	200.9bn (mage 81.7.94)		- 2.
tuilding society king by total assets	1	5	
mber of employees	approx 22,500	approx 5,000	િં હ
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rnbet of agencies	1,148	<b>30070X 120</b>	
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-tax annual profit	<b>2866</b> m	£248m	
et/income ratio	39.5%	40.2%	

provides of the £90bn assets of the combined operation. It will also contribute its name and its head office, as well as its chairman and chief executive. Leeds is bringing the brand names of some of its products. But rather than giving up its iden tity to join Halifax, the Leeds could have chosen another, less powerful partner that would have allowed for a more equal relationship within an organisation large enough to survive. Its motivation in choosing Halifax is

mystifying competitors.
"I can't see what's in it for the Leeds," one chief executive com-mented. "I was surprised," said another, "I thought they would reject it because of the likely branch clo-

That the future of the branch network might he is an issue requiring diverse messages about the benefits to different audiences. The two organisations have more than 1,100 branches, with considerable overlap. The temptation to

Hugh Carnegy and Karen Fossli on the passions stirred in Norway by Monday's EU referendum

rationalise the combined branch network and cut expenses will be strong. Mr Roger Boyes, Leeds's acting chief executive, insists that there would be no need for large numbers of branches to be closed and staff to be made redundant. He argues that the planned expansion of business in financial services will provide a use for the extra branches. The new organisation is planned to employ

redundancies, he hopes.
That stance, expressed also by Halifax, is intended to reassure members that they will not suffer a loss in the availability of services, and to give confidence to staff that there will not massive job cuts.

about 27,000 staff and re-training,

redeployment and natural wastage,

should mean no need for compulsory

There is some merit in expressing this view: the outspoken way in which 1,600 job losses among 9,800 staff were envisaged in the amounce-ment of the merger between Leeds and National & Provincial last August was one of the factors in its downfall. But retaining most of the existing

branch network would be far from reassuring to the credit ratings agencles. It could also undermine the two societies' current cost to income ratios of around 40 per cent - below the sector average.

The shadow over societies is the merger of Nationwide and Anglia building societies in 1987. The two businesses were not properly combined, and it is only relatively recently that Nationwide has shown signs of tackling the high cost to income ratio and regaining competi-

Halifax competitors believe that whatever is said to ensure approval of the merger, the society's management will be prepared to take tough deci-sions on rationalising the combined

Only if it does - and can make the most of its added size and wider powers to provide a wide range of financial products efficiently - will yesterday's announcement of merger and conversion set the pattern for tomorrow's moves among other societies. They will be watching closely.

Computer hackers are less of a risk than lax security over passwords, says Alan Cane

### Open sesame, system

hadowy figures veyed some 138 large compa-answering only to nies this year; the results bizarre pseudonyms; secret meetings in louely cellars at dead of the right; electronic black boxes dialling endless sequences of elephone numbers in the hope of making a connection. This is the stuff of hacker mythology, the heroes of the comaim in life is to break into computer systems.

Their motivation, it seems, is not personal gain but to test their ingenuity against the best defences computer scien-tists can build round their

This week, hackers were in report from The Independent newspaper that British Telecommunications' principal computers, used to store its customer records, had been hacked into. Some of the country's most sensitive unlisted telephone numbers — including MI5, MI6, Downing Street and Buckingham Palace were found and sent to a freelance journalist, Mr Stephen Fleming, over the internet, the global information superhigh-

It was hardly the first time a telecommunications operator had been compromised. In 1988, a hacker nicknamed "Prophet" broke into Bell-South's centralised automa-

tion system in Atlanta Prophet was eventually sent to prison after being caught with incriminating mate-But the BT

case has been unusually public. Not since the Duke of Edinburgh's electronic mail box was hacked into in the early 1980s has there been so

much of furore over the security of more security still. computer data. And computer abuse has grown considerably

Earlier this year, the Audit Commission reported a 300 per cent increase in the past three years in all forms of computer abuse, including fraud, theft, hacking and the unauthorised disclosure of personal data.

BT accepted that informa-tion had been taken from its system, and instituted an immediate review of its security measures. But it denied that its computers had been "hacked". This position depends to some extent on a definition of backing.

Most people take it to mean using clever methods to overcome the system's defences. But Mr Fleming, who obtained temporary employment at BT, is quoted as saying: "To my were openly distributed."

Computer security experts everywhere will have shaken their heads wearily at these words. The BT affair has confirmed, yet again, their collective view that poor password discipline is the biggest single cause of computer security

People like to believe in the hacker mythology; they like the mystery and the taste of electronic wizardry. But it serves to distract attention from the fact that computer organisations is poor or non-

show that almo of companies either did not report or investigate breaches of computer security. Many could not even say with cer-tainty whether their systems had been attacked. Some 27 per cent were either unsure or stated categorically that their networks were not secure from

unauthorised use.
Mr Gerry Penfold, KPMG partner with responsibility for computer audit, said: "It seems that companies continue to be oblivious of the commercial risks they are running, choosing to ignore obvious dangers."

BT now faces an investigation by the data protection registrar. Under the principles of the Data Protection Act, any mpanies with personal information about customers on their computers have to take reasonable care to keep that information confidential. Breaking a principle of the act is not in itself a criminal offence; but if a company ignores the registrar's advice on future security procedures, it could be liable for prosecu-

Such security is largely a matter of commercial compromise. Companies can have as much security as they are prepared to pay for. These levels are spelt out in the US in the

HACK IN USING A

Department of **Defence Orange** NOW, MOST PEOPLE Book and in Europe in the PASSWORD, JOHNSON Book.

A password provides some security. The addition of a call-back modem, so that users are called back by the computer, pro-And double triple greater combinations

The most sensitive government computer systems also have boxes built around each terminal to stop people using a scanner to read the ratio frequencies that they emit.

But, essentially, systems are at most risk from their users. A virtually secure system is esible, but the exi inconvenience of guaranteeing password discipline is usually impracticable. Most organisations settle for password combinations.

And in practice, groups of people often share passwords to make administration easier. Others write them down - not unreasonably, in some cases. Professor Henry Becker of Zergo, a security consultancy, cites a bank with 40 passwords

and identity codes.

The problem is really a cultural one. There is a lack of awareness of the need for security. People who would never think of going out for lunch leaving the cash drawer open, leave a computer terminal on and unattended without a second thought.

As the Audit Commission has said: "As information part of the employees' work pattern, there is a risk of almost casual disregard in protecting data. Managers and users must understand the value of data and protect it before it gets lost or damaged deliberately or accidentally." If the message gets home, hackers will have to

#### Decision denies chance to pioneer superhighways

From Mr Gruham Allen MP. lift the ban on BT and allow it to broadcast entertainment services to homes on a national basis is an unwelcome and inopportune decision at a time when the UK's European and international competitors are surging ahead in the telecommunications revolution ("Government offers talecoms groups wider superhighway role",

the immediate spin-off from a superhighway. The govern-

understand? Their realities are golf and socialising. Theirs is a different culture from normal people like us in the north." the certainty of knowing when they will be able to enter the market here. What was hoped

investment. To wait until 2001 provides them with no incentive whatsoever to take up the offer of servicing areas not yet bid for by the cable companies. All the government has succeeded in doing is to ensure that Britain essentially leaves the race and comes in only when the rest of the world has developed fully and is on to the

economy suffers and the people

ments and technologies. The

Graham Allen shadow spokesperson on media and superhighways, House of Commons,

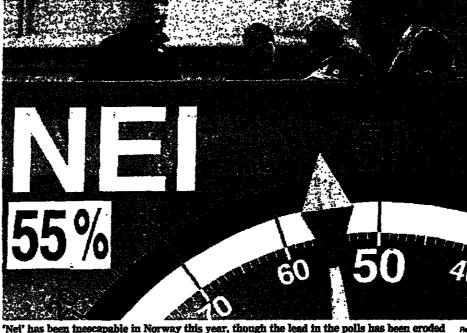
organised the largest rally in by the arguments of Mrs Gro any of the four prospective Harlem Brundtland, the formidable prime minister who leads the Yes campaign. She has warned that Norway could be dangerously decoupled from its Nordic and European neighbours. "I think after a No vote, we will have the same Norway that exists today," said Mr Jensen. "Our economy is strong -it is the strongest in Europe." Norwegians' hostility to the

EU is based on a sense of their special place in European culture, a jealously guarded politi-cal independence, and the economic security gained from North Sea oil.

The very word "union" pro-vokes a grimace in a country that only gained independence from Sweden in 1905 and was occupied by Nazi Germany during the last war. As for political isolation,

many Norwegians believe that by joining the EU they would increase their separation from the seat of decision making. "It is already a long way from here to Oslo," say people in the regions. "We will be even further away from Brussels." They are happy to confine elves to membership of

ing the EU is a question of our The oil bonanza, meanwhile, values, and that is why we are against joining.
"They say the politicians in has allowed Norway to indulge its preference for a social sys-tem heavily weighted towards state welfare and lavish subsi-Brussels are the voices of the people, but what do they dies for rural communities. And fear of losing control of its petroleum and fish riches out-weighs the mostly intangible



'Net' has been inescapable in Norway this year, though the lead in the polls has been eroded

economic benefits EU membership might bring. Unlike both Sweden and Finland, which have recently suffered deep recessions, Norway has fared quite well, with rela-

tively low unemployment (a total of about 8 per cent compared with 13 per cent in Sweden and 18 per cent in Finland). Warnings from the Yes camp that petroleum revenues will soon peak, exposing the weak state of Norway's onshore industrial base, make little impression on many Norwegians, made comfortable by the generous redistribution of oil wealth.

"A market economy for north Norway will never work," said Mr Mats Albinson, a docker from Hammerfest, at the Oslo rally. "Currently

there is protection of the economy, but joining the Union implies there would be totally free access for outside competition. We are not fools - we've seen this happen before in other countries."

The counter-argument, that Norway could find itself excluded from European mar-kets, also has little impact on the No camp. It believes that oil and fish can continue to be the backhone of the economy. They don't trade with us because they are sorry for us," proclaims Ms Torhild Lamo, a No campaigner in the north-western town of Bodo. "They trade because they need what we've got. We have the natural resources, so I don't think that would be a problem."

Mrs Brundtland hopes that

lous than the regions, will reject these arguments. In the cities, her appeal for Norway not to vote itself out of the political and economic development of Europe shows signs of hitting home. But even if she wins, it will

be an uneasy victory over the outlying regions, which have traditionally embodied Norway's national identity. "We are a very different country, we have different values and we are a different people. We want to protect the value of life in Norwegian society," said Ms Anne Enger Lahnstein, the principal leader of the No cam-paign, at a meeting in Oslo last week. It won her a standing

enough people in the urban areas, which are more popu-

#### KPMG Peat Marwick, the business consultancy, sur- win their spurs the hard way.

#### Solution to share option tax relief for executives

From Mr Michael Landon. Sir, It would be a pity if the government reacts to recent publicity about executive options by simply abolishing the income tax relief for approved "discretionary" schemes. This would unnecessarily penalise participants in the growing number of "all-employee" share option schemes, which use the "discretionary" scheme legislation because of the inflexibility of the requirements for savings-related (SAYE) share options. It would also further encourage employ-ees to sell their shares immedito them for a longer period.

If the government feels that
tax relief for "discretionary" schemes needs to be restricted. may I suggest that it is continued for all schemes where options are granted to employees generally. Limited tax relief should also be available for executive options, but only in respect of those shares which are still held for, say, two years after the option exer cise date Michael Landon.

senior consultant, The Wyatt Compa 21 Tothill Street ately after exercising the Westminster, options, instead of holding on London SW1H 9LL

#### Indicate money spent per pupil From Mr Tim

Beechey-Newman. Sir, Your inclusion of an indicator of social deprivation in the league table of school results ("Schools' league tables", November 22) is one step to providing more information about the achievement of the schools involved. How-

ever, if the additional educational needs index, from which your indicator was taken, is also an indicator of the amount of taxpayers' money spent per pupil, then it is misleading not to include this figure as well. Tim Beechey-Newman, 20 Langford Green, London SE5 8BX

Sir, The government's amouncement that it will not What this means for the

country and economy is that we will fall behind the world leaders in the development of a superhighway, and our citizens will be denied the tremendous opportunities which would be ment has given a clear and concise No to BT's and Mercury's establishment of an information superhighway before at

Whereas BT and Mercury least 2001. can compete in European mar-kets they are prevented from doing so in the UK. Not only that, but they are also denied London SWIA QAA

for from the government was a clear indication as to when BT and Mercury would be able to start their promised £15bn

next revolution. We will still be trying to catch up and be falling behind in new develop-

The government has denied to the UK the opportunity to pioneer new development for the good of the ordinary citi-

### Number One Southwark Bridge, London SE1 9HL Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution Coal enterprise in UK's best interests

From Mr William F Morrell. Sir, May I ask whose interests are being served by the seemingly endless campaign to rubbish RJB Mining? This company's efforts to secure intact a significant part of the UK coalmining industry serve the nation's best interests ("Putting £1bn down the

mines", November 23). We each have a duty to see our considerable natural resources and expertise fully exploited. Surely we should applaud, support and be thankful for such a display of confidence, enthusiasm and enter-

A week and fragmented coal industry brings more than misery to the already hard-pressed mining communities. It create more than a little financial pressure on the mining equip-ment manufacturers which Rotherham S61 1LZ

## belong to the association I rep-

LETTERS TO THE EDITOR

The army of public relations

men and lobbyists who repre-sent the new leading players in the energy industry sees this breakdown as its goal. Ultimately, it will precede the loss of a vast natural resource that can serve us all. Even in a worst case sce-

nario, supplying 27m tons per year, RJB projects huge success providing the industry remains intact.
The UK sits on more than 1bn tons of coal reserves. These figures speak for them-selves. Will no one else?

William F Morrell, director-general. Association of British Mining Equipment Companies, Webster Buildings,

#### licences inequitable way when GWR is restricted? From Mr Henry Meakin.

Restrictions on radio

Sir, Raymond Snoddy reported in one article on November 17 ("Capital may

seek all four regional licences") that Capital Radio "under the points system for limiting the concentration of radio station ownership, Capital [Radio] has the leeway to buy a number of new licences or even a national commercial station" and that it might bid for all four regional licences that are due to be advertised. In a separate article in the same edition, he reported that GWR Group had been prevented from making an acquisition by The Radio Authority ("GWR acquisition plan is blocked by Radio

Authority").
How can it be that Capital Radio, one of the biggest inde-pendent radio contractors in the world and four times the size of GWR, can have this lee-

Surely the time has come for there to be a level playing field in the radio industry. The subject is presumably on national heritage secretary Stephen Dorrell's agenda, but is proba-bly not very high on the list of priorities: the industry is seen to be a success and not in need of emergency service. The reality is that the industry is a success despite the legislation and that the legislation needs

urgent revision.
It should be the duty of The Radio Authority and the national heritage secretary to take urgent steps to eliminate such restrictive ownership anomalies.

Henry Meakin, chairman, GWR Grown. PO Box 2345, 3B2, Wiltshire SN5 7HF

**BSkyB** to

£810m in

By David Blackwell

raise about

global offer

British Sky Broadcasting, the satellite television venture,

launched its UK retail offer

yesterday without setting a

It is offering UK investors

36.4m shares out of a global

offer total of 343m shares. The

offer closes on December 6,

and the price will be set - in a

range between 233p and 268p

8, when dealings begin.

on the morning of December

The lower price would value

the group at £4bn, while the

upper price would give a valu-

ation of £4.6bn. A price in the

firm price for the shares.

## North West links with Bechtel

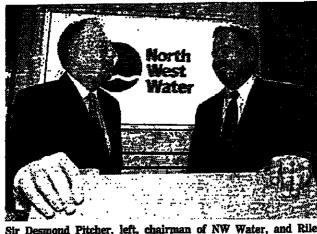
Shares in North West Water rose 2 per cent to 529p yesterday as the biggest of the 10 UK water and sewerage companies announced plans to link up with US-based Bechtel Corporation, which is one of the world's top engineering and construction companies.

The two companies plan to establish a wide-ranging business partnership to pursue international opportunities. Bechtel, which led the restoration of Kuwait after the Gulf War, will also take on the management of North West's

Mr Brian Staples, North West's chief executive, said the alliance would bring substantial benefits to both partners.

£2.3bn capital investment pro-

North West, which has been one of the most active UK water and sewerage companies abroad, would benefit from Bechtel's procurement prac-tices. The UK company now expected to achieve savings on its investment programme above the 10 per cent indicated



Sir Desmond Pitcher, left, chairman of NW Water, and Riley Bechtel, president of Bechtel: pursuing international deals

able to step up its international expansion, while sharing the costs of marketing and development. Currently it is spend-

ing about £10m a year. For Bechtel, the link brings in-depth expertise in the rapidly-growing international water and sewerage market. Bechtel is buying North West's engineering division, which designs and builds treatment plants, for £15m.

The companies will form a

interest in the privatisation of water services has grown dramatically over the last two years. It is estimated that US municipalities need investment of about \$127bn (£77bn) to meet current Clean Water Act

North West's announcement almost overshadowed its interim results, which showed a marginal decline in pre-tax profits from £138.2m to £136.8m ber 30. Sales were 7 per cent

Profits were depressed by a £13.5m goodwill write-off on disposals.

The dividend was increased by 8.9 per cent to 8.35p (7.67p) from earnings down 13 per cent to 34.3p (39.3p).

COMMENT

North West appears to have staged a coup. None of the other water and sewerage companies forging links abroad have found such an internationally influential partner. Bechtel is renowned for its tough procurement practices and the link-up will do much to ease anxieties over thin margins on international contracts, which have plagued North West's strategy for some time. The alliance is also bound to reduce the risk sub-

middle of the range would raise about £810m, which stantially. On the downside. would be used with a new privatisation in the US is bank facility to pay off debts. slower in coming than expec-Investors can set a limit on how much they are prepared ted, and international conto pay per share, but applica-tions will be based on the tracts still carry a certain degree of risk. Forecasts are for pre-tax profits of £290m amount of money to be before exceptionals and a proinvested. The minimum investspective yield of 6 per cent. Its ment is £500. prospects are more encouraging than for many of its peers.

The prospectus shows the group had 3.6m subscribers at end-September, up from 3.45m last June. Group revenues in the year to June 30 were £550m, mainly from subscrip-tions. Operating profits were £170m, pre-tax profits £93m

and earnings per share 6.8p.
The group promises "to The group promises "to maintain a dividend policy that reflects the presently high cash generative nature" of the business. For the year to June the directors would have recommended a net dividend of

3.3p per share. The main shareholders are Mr Rupert Murdoch's News Corporation; Pearson, the media group that owns the Financial Times; Granada, the television and leisure group; and Chargeurs, the French industrial company.

The group will be run by a board of 19, with Mr Frank Barlow remaining as chairman and Mr Sam Chisholm, who has played an important role in turning BSkyB round, as chief executive and managing director. Among 11 new directors will be Mr Gerry Robinson, Granada chief executive, and Mr Jerome Seydoux, Char-

geurs chairman. The group 10 days ago submitted an affidavit to the High Court which estimated that total losses to the company in the first five mouths of this year through pirate card devices were £2.25m.

The prospectus says there has been some piracy, but "the directors believe that there has been no material loss of revenue over the past fiscal year as a consequence." The group said it had been advised that a loss should only be considered material if it was 5 per cent instead of the 0.5 per cent loss over the period.

Stoddard Sekers International, the carpet and furnishing fabric manufacturer, more than tripled from £167,000 to

Earnings per share emerged at 0.7p (0.1p) and the interim dividend is held at 0.75p.

Despite the unseasonably

warm weather, a chill wind

has been blowing through the

the exclusive jewellery retailer

whose various businesses are

scattered along the streets of

Indeed, Mr Naim Attallah,

chief executive of the group he

refers to as "the most luxuri-

ous gift shop in the world",

suggested last week that the super-rich had not only been

absent from the group's Lon-

don stores, but that "it's the

same in the United States.

Switzerland and even on Ave-

However, as Asprey revealed

a fall in pre-tax profits to

£3.01m (£12.2m) for the six

months to September 30, he

suggested that there had been

a small improvement in the

weeks since the profits warn-

He will be hoping that this

improvement continues or

watchers of the group will

question the wisdom of his

expansionist moves of the past

few years. To a group contain-

ing the core Asprey business

with three outlets, he added

ing of September 9.

nue Montaigne in Paris".

London's West End.

elegant showrooms of Asprey,

## Rothmans ahead of City forecasts with 18% rise

By Roderick Oram, Consumer industries Editor

A recovery in French cigarette prices and fast growth in Asia helped Rothmans International beat City forecasts with an 18 per cent rise in pre-tax profits from £233.4m to £275.9m for the six months to September 30.

Its European market share was down marginally, continuing a long-term decline because of dependence on local brands and Virginia blend cigarettes rather than international brands and American blends. Lord Swaythling, chairman,

said market share was begin-

ning to stabilise thanks in part

to the success of Golden America, an American blend cigarette launched in several countries over the past two years.

European operating profits rose by 44 per cent to £70m (£48.7m) on sales up 6 per cent at £539.9m. After a price war in France last year, prices and demand improved in the latest period. UK sales rose from the

DRS Data warned yesterday that continuing trading prob-

lems would result in disap-

pointing second half profits.

The shares were unchanged at

30p, compared with the 110p

The flotation of the scanning

equipment manufacturer has

been followed by a catalogue of

disasters, including a change in ownership of its main dis-

tributor and a collapse in

demand from schools, its larg-

The statement yesterday said

there was no signs of a recov-

ery on educational sales.

Schools accounted for about 70

per cent of sales last year, but

shortly after its share offer

offer price in May.

previous year which had been distorted by two Budgets. The first costs savings from

a European rationalisation programme announced in June were only just beginning to flow through by the close of the period, analysts estimated. Profits from the Americas. redominantly Canada, fell from £50.1m to £49.8m

although they had grown in local currency terms. Asian profits rose to £59.6m (£46.1m) while Pacific profits fell to £28.3m (£29.3m) because of a price war in Australian and New Zealand and

increased marketing costs.
Rothmans' worldwide cigarette volumes rose slightly. The main gains were in Japan and the UK. Sales revenue rose by 4.3 per cent to £1.27bn.

The interim dividend of 7.5p per unit will reduce net cash generated to £86.1m (£184.5m). Last time it paid no dividend because of payments associated with the capital restructuring of Rothmans and Dun-

Continuing problems at

DRS will hit second half

ings per unit were 19.7p (17.2p). Lord Swaythling reiterated the board's commitment to invest only cash generated in tobacco and in due course to give any surplus to shareholders. The largest is the Rupert family with a 61 per cent stake, The units rose 17p to 440p.

The State of the S

n plan t

ompts sli

• COMMENT

Rothmans' caution on buying brands in emerging markets. such as eastern Europe have made it look conservative compared with Philip Morris and BAT Industries. Its willingness to invest, preferably in greenfield projects and Asia, is not in doubt but will take years to pay off. Meanwhile, the bottom line will benefit from the fruits of European cost cutting. Fullyear profits of about £555m are possible for earnings of 39p and a prospective p/e of 11. This rates the shares slightly above BAT and Morris but there is the attraction long term of a big pay-out to shareholders.

for schools to build up cash

reserves, with a corresponding

Nottingham Group, the edu-

cational products supplier, also

revealed declining sales to

schools in the first half of 1994,

shortly after its March flota

DRS said the collapse in

sales was unforeseeable at the

time of its share offer. Mr Mal-

colm Brighton, founder and

managing director, made about

£3.5m from the offer. The com-

pany's shares fell 58 per cent

iast September, after its

interim results revealed declin-

ing profits and collapsing sales.

corpses of disastrous flotations,

only Aerostructures Hamble

has performed worse, closing

yesterday at 25p, compared

with its offer price of 120p.

In a year littered with the

decline in expenditure.

## Welsh falls 36% on Acer losses

By Peggy Hollinger

The controversy over the diversification policies of utilities resurfaced vesterday as Welsh Water announced disappointing interim results due to losses and charges in its largest non-regulated business.

Pre-tax profits fell 36 per cent to £49.4m (£77.3m) for the six months to September 30, after exceptional charges of £28.5m. Turnover was 0.73 per cent lower at £259.9m. Excluding discontinued businesses. sales rose by 1.8 per cent.

The exceptional charges included £11.5m to cover rationalising the Acer motorway design business. The balance arose from a previously announced rationalisation in

Mr Nigel Openshaw, chairman

of McLeod Russel Holdings,

An accountant, he joined the

board in September 1981. By

1987 he was group managing

director and by 1988 chairman.

He engineered McLeod's meta-

morphosis from a plantations

group to its current position as a holding company with inter-

ests in surface coatings, air fil-tration, environmental engi-

neering and property

This was initially achieved

in 1987 when the group sold 80 per cent of its Indian tea inter-

ests and when Kennedy Smale,

a glove manufacturer and

machinery distributor, took

over McLeod in an agreed

**McKechnie** 

Mr Michael Ost, chief executive of McKechnie, the plas-

tics and metals components

group, received a pay rise of 62

per cent for the year to July 31,

taking his earnings to £275,748.

from £145,000 to £185,067, while

his performance-related bonus

climbed to £65,519 (£13,431).

Among other benefits, he also

received pension contributions

Mr Ost's pay is decided by a committee of non-executive

directors. The bonus is set by a

formula covering the percent-

of £13,116.

Mr Ost's basic salary rose

chief gets

**62%** rise

died suddenly on Thursday

By Peter Pearse

dies suddenly aged 50

the core utility business

Mr Iain Evans, chairman, said a significant number of UK motorway orders had been cancelled by the Department of Transport, leaving Acer with losses of £2.8m.

Management had decided to cut 13 per cent of the 3,000strong workforce, with most of the jobs going from the UK

Welsh paid £50m for Acer including £27m in debt, 21 months ago. It wrote off £40m against goodwill soon after the

The company yesterday faced renewed criticism over its diversification record, which includes unhappy forays into electricity and hotels under previous management.

"We are hearing the same story time and time again,"

said one analyst. Mr Evans denied that these were bad results. On the positive side, Welsh had cut underlying operating costs by about 1.5 per cent. Further benefit was expected from rationalising the utility, where more than 400 jobs would be cut.

Welsh had also achieved savings of roughly £4m on its capital spending programme.

Mr Evans said the non-regulated businesses, with the exception of Acer, had improved "dramatically". Profits excluding Acer had risen from £300,000 to £3.4m.

cent at 31.1p (49.2p) or 49.4p (49.2p) before exceptionals.

COMMENT

It appears that Welsh has written off more than it paid for its Acer subsidiary, and the division is still making losses. Not surprisingly the shares underperformed vesterday, falling 4 per cent against the sector's 2 per cent decline. Forecasts were pulled back from about £163m to £155m, before the £28.5m charge. On the plus side. Welsh Water has one of the strongest balance sheets and highest dividend covers among its peers. At some stage, this should feed through shareholders. For the

#### The dividend was increased by 10 per cent to 9.3p (8.45p) moment, however, the shares from earnings down 37 per

day Mr James Leek was appointed chairman. He has been a non-executive director since May 1992. Mr Paul Humphreys, finance director, said Mr Leek would be spending an increasing amount of time with McLeod, and that the move had been made so quickly to ensure continuity As well as remaining group

Mr Leek is already chairman of Amberley Group, the USMtraded building preservation company, and a director of Caparo Industries, the steel products and engineering

#### McLeod Russel chairman | Cornwell Parker chief makes boardroom changes

By Peter Pearse

At a board meeting yester Mr Martin Jourdan, chairman of Cornwell Parker, has followed his downbeat trading statement at the end of October with boardroom changes at the furniture and fabrics group. "When trading is poor, people expect something to be done," he said.

Jourdan will remain responsi-

ble for manufacturing operations, Mr Thomas will

leave at the end of January. Mr Martin Jourdan said Mr

A 2.25p (1.5p) dividend is being paid from earnings of 16.6p (7.91p) per share.

Syltone 14% ahead

Syltone, the designer and man-

ufacturer of transportation

industry accessories, reported

a 14 per cent increase in pre-

tax profits from £1.23m to

£1.41m for the six months to

Turnover was up 11 per cent

Mr John Clegg, chairman,

said the group's only disap-

pointing performance came

from Rotocold, its air-condi-

tioning subsidiary, where

at £21m (£18.9m). Earnings per share were 5.01p (4.24p), or 4.89p (4.15p) fully diluted. The interim dividend rises to 1.71p

eptember 30.

(1.625p).

chairman Mr Jourdan is taking for the group. over as chief executive of the fabrics division and managing director of the furniture side. These moves are displacing Mr Tony Thomas in fabrics and Mr Jourdan's brother Tom in furniture. While Mr Tom

**NEWS DIGEST** 

On Tuesday, McLeod announced a 23 per cent rise in pre-tax profits to £6.36m (£5.16m) in the year to SeptemThomas was on a rolling twoyear contract and no payment above any contracted entitlement had been discussed.

> The senior board was reorganised three and a half years ago to cope with expansion, but "now we need to manage the business we've got, and we've got international manent talent we don't need", Mr Jourdan said.

There was also a need to "de-layer" the organisation between the top of the business and the shop floor. At subsidiary board level, one director was taking early retirement and three had left already.

As these events had happened early in the financial year, costs would probably cancel out savings, and benefits would show in the following 12 months, Mr Jourdan said.

#### Stoddard Sekers more than trebled

Interim pre-tax profits at

Operating profits increased from £583,000 to £963,000 in the six months to September 30. on turnover 6 per cent Mr Hugh Laughland, chairman, said the group's opportunities in the contract and export carpet markets had

shown a "gratifying improvement".

### Malcolm Barr steps down to end feud

demand dried up.

Mr Malcolm Barr agreed to step down as chairman of Barr & Wallace Arnold Trust yesterday in a boardroom shake-up, which spells an end to the family feud at the motor and leisure group.

Mr Barr, who is also the outgoing chairman of the Leeds Permanent Building Society, gave way to pressure from rebel shareholders led by his nephews, Nicholas and Robert Barr. The brothers, who speak for almost 30 per cent of ordinary voting shares, are joining the board along with their fellow rebel shareholder, Mr

Kerry Firth. The boardroom deal came after an EGM had dissolved into chaos as the warring parties held a series of frantic talks in front of shareholders. The EGM failed to start and was eventually adjourned until Monday while financial advisers attempted to negotiate a deal to end the feud.

The board had wanted to enfranchise the non-voting A shares, which represent 80 per cent of the equity and are owned almost entirely by institutions. However, the rebels won support from shareholders

representing more than 50 per cent of voting ordinary shares. Enfranchisement now seems likely to be voted through at the reconvened EGM next week. A second meeting had

were reconsidering the need

for DRS's main product the

Optical Mark Reader, following

recent relaxation in National

Curriculum requirements.

been requisitioned by the rebels to remove Mr John Parker. chief executive, and Mr Brian Small, finance director. However, both Mr Parker and Mr Small will stay on the board as part of the latest deal. The agreement follows six weeks of acrimonious dispute

between the Barr generations over the future of the family business. The brothers wanted to demerge the two divisions to unlock shareholder value. The board countered with warnings from motor manufacturers that the new company could lose its lucrative car dealership fran-

Before details of the deal emerged, Mr Nicholas Barr denied that his uncle's departure would resolve the dispute.
"That would make it sound extremely personal, which it is not," he said. "Much has been said about family feuding and clearly there are differences of opinion. But this is not a personal issue, it is a commercial one." Malcolm Barr will

become life president.

#### **Bristol** Post ahead at £4.78m

By Geoff Dyer

helped lift interim pre-tax profits at the Bristol Evening Post by 54 per cent, from \$3.1m to \$4.78m Excluding the £1.24m profit

from the sale of the New Broadmead site in Bristol, the pre-tax figure rose 14 per cent to £3.54m in the 26 weeks to September 30. Turnover rose only 1 per

cent to £30.4m (£30.1m), in part because of a reduction in the number of Kiosk retail stores from 78 to 62.

Retail activities recorded an increase in operating profit of £398,000 (£215,000), up 85 per

Operating profits from newspaper publishing and printing rose 26 per cent from £1.31m to £1.66m, on turnover of 217.3m (£16.1m). Mr Keith Sadler, finance director, said advertising revenues for the half were up from £10m to £12m, after a good first quarter but poor second quarter. Earnings per share increased from 8.47p to 12.28p, with the underlying figure up 9 per cent at 9.3p. The interim dividend is 4.5p (4.25p).

## Asprey loses some of its sparkle

#### age increase in earnings per share over four years and the achievement of the cashflow dividend is held at 0.125p. budget for that year. McKechnie's earnings in 1993-94 were 27.1p (22p in 1990-91). In 1993-94 its net cash inflow before fin-

ancing was £2,05m. Vistec shares fall Shares in Vistec fell 6p to 13½p months to September 30. yesterday after the USM-

DIVIDENUS AR	MOUN	vev.			
	Current payment	Date of payment	Comes - ponding dividend	Total for year	Total last yeer
Abtrust Erner Ecofin	0.6★	Feb 6	-	-	-
Bristol Postint	4.5	Jan 27	4.25	-	12.25
Cleveland Trustint	2.4	Jan 12	nii	·-	4.7
Drayton Blueint	2.905	Jan 20	2.905	-	8.4
Ideal Hardwareint	3.4	Dec 28	-	-	-
Letham (James)int	2.25	Feb 10	1,5	-	4
North West Waterint	8.35	Feb 24	7.67	-	23.07
Rothmanslnt	7.5☆	Jan 24	-	-	13.2
Stoddard Selcersint	0.75	Jan 9	0.75	-	1.6
Syltoneint	1.71	Feb 10	1.625	-	4.935
Vistec §int	0.125	Jan 13	0.125	•	0.4
Welsh Waterint	9.3	Mar 6	8.45	-	25.4

Dividends shown pence per share net except where otherwise stated. †On

increased capital. §USM stock. & Gross. \*kincluding special dividend of 0.4p.

to £40.4m, against £35.1m which included £479,000 from quoted computer systems, software and services company reported lower interim pre-tax discontinued operations. Mr Christopher Latham, the chairprofits and warned that the full-year result would be "sub-stantially less than last year". man, said it was the first time since the onset of the recession Despite a 44 per cent rise in that sales from all the trading activities had been over target.

turnover to £25.4m (£17.6m) pre-tax profits for the half year to October 31 fell from £1.13m Mr Arthur Morton, chair man, said the year had started

well but that during the second quarter trading profits had declined. He cited three reasons: the ending at Sphinx Level V of the supply agreement by Informix; the performance of recently acquired ISO Communications and Data Logic Communication Services: and margin reductions in desktop computer markets because of competition. Earnings per share slipped to 0.41p (0.62p) but the interim

#### James Latham

Nearly doubled pre-tax profits of £1.14m against £598,000 were announced by James Latham, timber importer and building materials merchant, for the six Turnover was up 15 per cent

#### action was being taken to "finally stem losses".

**Cleveland Trust** Cleveland Trust, the industrial property investment concern. increased pre-tax profits from £60,000 to £382,000 for the six months to September 30. Turnover grew to £911,000 (£393,000) and earnings per share came to 2.5p (1.7p). The

## interim dividend is 2.4p (nil).

Fleming High Inc Net asset value per share for Fleming High Income Investment Trust was 99.85p at October 31, compared with 101p at the April 80 year-end and 106.2p a year ago. Net revenue for the six months fell from £860,000 to £743.000.

at 2.29p (2.67p). The board has declared an unchanged second interim dividend of 1.1p.

Earnings per share came out

#### Dart rises 15%

Interim pre tax profits at Dart Group, the distribution and aviation services company, advanced 15 per cent from £1.25m to £1.44m.

Sales for the half year to September 30 edged ahead from £27m to £27.5m. Last year's fig-ure included turnover from Dart's holding in Benair Hong

Kong, sold in December. The rise in earnings per share from 5.8 to 6.5p lifts the dividend to 1.5p (1.3p).

#### Coal side hits GWR Great Western Resources, the

US-based energy company,announced increased pre-tax losses from \$8.98m to \$12.8m (£7.8m) for the year to Septem-

A market valuation of the coal division, where operating costs were higher than expected, was being undertaken. A sale could result in "a substantial book loss", the company

Revenues were \$138m (\$123m). Net losses of \$11.1m (\$7.1m) gave losses per share of 10 cents (8 cents).

#### Archer raising £6m Archer, the Lloyd's agency, plans to raise £6m in a private placing to invest in the Lloyd's

of London insurance market.

Abbey National Abbey National's recommended £56m offer for Household Mortgage Corpn, the UK's largest centralised mortgage lender, has been declared unconditional in all respects.



Naim Attallah: retail stock ranges from £23.50 to more than £4m

Garrard and Mappin & Webb in 1990, Watches of Switzerland in 1992 and Les Ambassadeurs, a watch and jewellery retail chain, in 1993. The 1993 launch of Zeus, "an experiment" aimed at younger shoppers, took the group yet further

from its known territory. Garrard is the kind of shop where most items have no price ticket, presumably on the assumption that if you need to ask, you can't afford it. Its most expensive item retails at £2.8m. while M&W's costliest

bauble is a snip at £95,000. Asprey's stock ranges from a Burma ruby and diamond suite at more than £4m to a heron dish at \$23.50 which, strangely.

is the same price as a Swatch watch, the cheapest item at Watches of Switzerland The acquisition drive has broadened the customer base away from the rarefied world of Arab princes, heads of states and governments on which the

group used to depend. This was Mr Attallah's intention. He maintains that otherwise

the group would be at the financial mercy of the whims of "certain overseas customers". In this, he has the broad agreement of Mr Arnaud Bumberger, managing director of Cartier in the UK, who says: We are not having these problems at the moment, but we might tomorrow."

In Asprey's interim results, the sharpest turnover fall - to £29.6m (£39.3m) - was at the core Asprey business. Garrard's turnover was flat at £11.7m and Mappin & Webb's slipped by £1m to £16.2m. Profits at Watches of Switzerland were lower as a result of the growth of overheads as the company expanded from 26 to 33 outlets, but its turnover grew to £15.5m (£13.7m).

. . . .

Asprey's expanded customer base contains many who were relatively rich in the 1980s but have since tightened their belts. And Mr Attallah fumed at the government's lack of understanding of psychology, railing at the bad timing of the upcoming Budget: "We have had a quiet November, because people are deterred from Christmas buying when they don't know what their position will be after next week."



# of City Note: International companies and interpole. Sy Michael Staphiker in London and Michael In Dresden, the sale In Separation of City We plan to cut investment Bock sells stake in German hotels group disclosed, but Advanta is believed to have sold its stake at a premium to the price of at a premium to the price of at a premium to the price of the price o

The Volkswagen share price suffered yesterday as the com-pany announced plans to slash capital investment and reports circulated of internal profit forecasts which fell far short of analysts' expectations.

After trading up during the day, the automotive group's shares shed more than DM6 towards the close, ending DM3.70 down at DM451.80.

The company last night refused to confirm or comment on the existence of a document reportedly presented at a meeting of the supervisory board yesterday which showed the management expected pre-tax profits in 1995 of DM890m (\$571.17m).

The document was also reported to say the outcome could be up to DM200m higher or lower, and added that sales would rise only modestly next year and it would be difficult to increase prices.

According to the Reuters news agency which said it had copies of the paper, the management forecasts were far more gloomy than those of stock market expectations,

By Nikki Talt in Sydney

Australis Media, Australia's

would-be pay TV operator, said

yesterday that it was holding

talks with Mr Rupert Mur-

doch's News Corporation, but

declined to be drawn on the

Australis holds one of the

two commercially-available

satellite licences for the Aus-

tralian market and has pledged

to deliver the nation's first pay-TV service early next year.

But it has come under increas-

ing pressure from the big exist-

ing media operators - notably

Mr Kerry Packer and Mr

Rupert Murdoch - who have

nature of these discussions.

The agency quoted one analyst describing such a result as "depressing", although others found it hard to believe the figures were correct, suggesting the management could have massaged the data to present as poor a picture as possible to the supervisory

Under German accounting rules, companies commonly add to or draw down hidden reserves at any time without publicising such

While investors are convinced that VW is set to rebound strongly from its net DM1.94bn losses last year, management may want to play down the extent of the recovery while it is still trying to cuts costs and increase productivity. Mr Ferdinand Piech, group

chairman, recently angered his competitors with a downbeat assessment of the car market's prospects which hit all automotive groups' shares.

VW may also want to paint as black a picture as possible

Australis Media confirms it is

in talks with News Corporation

formed consortia with local

telecommunications groups

and are holding out the prom-

ise of rival cable-based sub-

scription services in the not-

There has been speculation

that this pressure will lead

Australis to team up eventu-

ally with the joint venture set

up by News and Telecom, the

large government-owned tele-

communications group, cur-

rently installing a national cable infrastructure. The three

companies could then pool

their programming, subscriber

management and delivery

resources. News, through its

ownership of Fox film studios.

Study starts into privatisation

too-distant future.

which were mostly based to enhance its chances of suc-on earnings well above cess with its current lobbying cess with its current lobbying exercise in Bonn for government subsidies.

The company wants funds for a "scrapping premium" scheme similar to those used earlier to liven up the Spanish and French car markets. Ordinary car owners were paid sub-stantial sums to trade in cars over 10 years old for new mod-

VW says more than 20 per cent of the German car market would stand to gain most, while other groups such as Mercedes and BMW are believed to be strongly against subsidies which would appeal mainly to owners of lower-The non-executive supervi-

sory board, which is dominated by worker representatives and Social Democrat politicians. yesterday approved a sharp cut in medium-term investment plans, which reduces the fiveyear budget for 1995 to 1999 to DM58.5bn compared with DM69bn for the current budget to the end of 1998.

The total will be divided virtually equally between the fac-tories and the group's financial

could contribute programming,

and also subscriber manage-

Confirmation of the talks

with News was given by Mr

Rodney Price, Australis' chair-

man, at the company's annual

meeting in Sydney yesterday.

However, he also disclosed that the company had just

secured a partnership agree-

ment with Sony Pictures,

MCA/Universal, and Para-

mount for the provision of gen-

eral entertainment program-

Mr Price repeated the

group's determination to

عكذامن الأعبل

Mr Dieter Bock, chief executive of Lonrho, yesterday began to fulfil his promise to dispose of his outside interests when he announced the sale of a con-trolling stake in Kempinski, the German hotel group, to a leading Thai hotel company.

Advanta Management, Mr Bock's German property company, said It was selling its stake of just over 50 per cent in Kempinski to Dusit Sindhorn, a Thai joint venture between Dusit Thani, the hotel company, and Siam Sindhorn, a Thai property investor. The purchase price was not Kempinski shares on the Frankfurt stock exchange. Kempinski shares rose DM10 yesterday to close at DM850. The deal will be completed on December 5. Mr Bock's pletige to sell his

outside interests came this month when he won his battle to persuade Mr Tiny Rowland. his fellow joint chief executive, to quit the Lonrho board. There had been speculation that Kempinski would be

merged with Lonrho's Metropole botel chain. Any such merger would have been complicated, however, by the Libyan government's 33 per hotel, in Dresden, the sale comes at the end of a long

struggle to find a partner. In 1992, Kempinski, then 42.6 per cent owned by Lufthansa, the German airline, was forced to abandon plans to merge with Meridien, the luxury hotel chain controlled by Air France. Instead. Lufthansa sold part of its stake to Advanta. Today, Lufthansa owns 20.2 per cent of Kempinski, with the remainder held by other investors. Air

UK hotel group, earlier this Kempinski yesterday paid

France sold its 57 per cent stake in Meridien to Forte, the

the company achieved a much stronger position in Germany. Advanta assisted in the merger of the company's German and were previously separated." Kempinski said Advanta had also assisted it in obtaining

The German chain said its link with the Thai joint venture would give it a stronger position in the Asian region, the world's fastest-growing travel market. It said the Kempinski name would be main-

hotel management contracts.

Dusit Thani said earlier this year that it was keen to

expand outside Thailand, Khunying Chanut Piyaoui, the group's founder and managing director, said: "I would like to invest overseas, not to make a lot of money, but because I want to present That customs tradition, art and culture, food

and hospitality."

Berliner Handels and Frankfurter Bank said it sold its 10 per cent stake in Advanta Management to a US investor at the end of October,

reports Reuter.
A spokesman said the bank had long intended to sell the stake. He said the sale had nothing to do with bourse speculation in mid-October that Advanta had run into financial

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The second contract c

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## at £4.78m e, ser by

of French tobacco monopoly By John Ridding in Paris Crédit Lyonnais, the French state-owned bank, has been

sation of Seita, the state tobacco monopoly which man-ufactures Gauloises and Gitanes cigarettes. The economy ministry said that no decree had yet been issued for Seita's privatisation and that Crédit Lyonnais would study the mechanisms and technicalities of a possible

appointed to study the privati-

Edouard Balladur.

Industry observers played down the prospect of a rapid sale. The French government has already netted more than FFr60bn (\$11.2bn) this year from its privatisation programme, compared with a target of FPr55bn. Mr Nicolas Sarkozy, the budget minister, indicated last week that no further privatisations would take privatisation. Seita is one of 21

place in 1994.

The government is, however,

for sale, or already sold, by the centre-right government of Mr the computer manufacturer.

engineering activity helping to offset low housing construction business in the next year. Last week, it invited offers from potential investors seeking to take stakes in the com-

pany. The government is also eager to launch the privatisation of Assurances Générales de France, but is awaiting improved stock market condi-Seita, which makes matches as well as cigarettes, reported a

first-half net profit of FFr254m and predicted a rise in full-year profits, compared with the public sector companies slated in the midst of the privatisa- FFr585m achieved in 1993.

#### Skanska profit ahead 83% at nine months

By Christopher Brown-Humes

Skanska, Scandinavia's largest construction and property group, increased pre-tax profits by 83 per cent to SKr2.72bq (\$365m) in the first nine months.

Expanded international operations, reduced interest costs and higher dividend income offset the slump in the Swedish building market and lower rental revenues.

The figures included SKr879m dividend from the winding up of the investment group, Protorp.

There was a 4 per cent drop

in nine-month operating income to SKr1.87bn from SKr1.95bn, reflecting a worse performance from the Swedish construction unit and lower rental revenues after property divestments late last year. But the downturn was offset

by SKr857m in financial income. In the same 1993 period, the group incurred SKr466m in expenses. The Swedish construction

side saw operating profits fall to SKr363m from SKr412m as revenues fell 7 per cent to SKr10.3bn. Low demand and depressed prices characterised the domestic market, now in its fourth year of recession. Residential construction is being held back by high inter-

est rates with housing starts falling to 5,800 from 7,400. The company says the market should have touched bottom, with higher road and civi International operations post-war Japan to a global accounted for 46 per cent of

total order bookings of SKr27.4bn against 27 per cent of SKr17.6bn in 1993. International construction revenues jumped to SKr6.9bn from SKr4.4bn and operating income climbed to SKr47m from SKr16m.

Skanska says its full-year profit, excluding the dividend from Protorp, will be considerably better than last year's

## Morita resigns as chairman of Sony

By Michiyo Nakamoto in Tokyo

Mr Akio Morita, one of Japan's most unconventional yet highly regarded businessmen, yesterday resigned his post as chairman of Sony for health

Mr Morita, aged 73, who is recovering from a brain haemorrhage he suffered a year ago, becomes honorary chairman and Mr Masaru Ibuka, with whom he co-founded Sony, will become chief adviser. Mr Norio Ohga remains president and chief executive officer.

The post of chairman has not While Mr Morita's resignation was generally expected after his absence from the company's day-to-day business since last November, the news "was a shock to everyone" at

the consumer electronics com-

pany, a company official said. "Employees who are in their middle years have great trust in Mr Morita, who is regarded as a kind of god – although it is rather odd to describe him in those terms," a Sony official

But it is not just Sony that is losing a leader. Mr Morita is one of Japan's last remaining symbols of its spectacular rise from a war-devastated country to the world's second largest economy. He ranks with the likes of Mr Konnosuke Matsushita, founder of the world's largest consumer electronics company, and Mr Shoichiro Honda, who started the motor company carrying his name, for his contribution to the country's post-war success.

The company he co-founded grew from a small appliance repair shop in the wreckage of enterprise with annual sales of almost Y4,000bn (\$40,63bn). It also acquired two symbols of US cultural heritage - the former CBS records and the Columbia movie studios.

While Mr Ibuka was the engineering genius behind Sony and established the company's reputation as the standard-bearer for high quality consumer electronics, Mr Morita is credited with building

operation, earning it a reputa tion for bringing out one hit product after another, from Trinitron colour TVs to the Walkman portable cassette and CD players.

His international outlook took Sony into overseas markets and led to the company setting up production outside Japan years before globalisation became a trend among Japanese manufacturers. He spent three years living in the US at a time when few Japanese corporate executives ventured to live outside the country.

He has also been behind the early appointment of foreign nationals to executive posts at Sony's overseas companies and in his later years spent much of his time representing the Japanese business establishment at home and abroad. The personable Mr Morita

who is said to have related comfortably to Sony employees regardless of rank, has also been seen as the inspirational force with the ability to pull the ranks together in a common cause.

Unlike the Sony which Mr Morita, together with Mr Ibuka and later with Mr Ohga, was able to guide by virtue of his forceful yet charismatic character, the company is now an unwieldy organisation suffering the pitfalls of over-exten-

Last week, the company said that as a result of poor performance at Sony Pictures, for-merly Columbia, it would write Y265bn off the value of its films arm. The write-off, which came after substantial investments in the Hollywood studio under its former head and a dismal year at the box office, net loss.

"The era in which the company can be led by two people is over," says one Sony official. To cope with its enlarged operations, Sony earlier this year restructured the group's activities into eight group and division units, each headed by a company president. The aim is to give greater autonomy and enable them to be more market responsive.

Mr Morita's departure also

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Akio Morita: built Sony into an international operation

consumer electronics industry is under great pressure. The yen's sharp appreciation against leading currencies, the saturation of the domestic consumer electronics market and the changes in consumer electropics, computing and communications, are threatening the status, if not the survival, of some of Japan's most successful companies.

Mr Morita, an active business ambassador for Japan in his role as chairman of the Japan-US Business Council, will be missed for the role he played in promoting understanding with the west and in representing the Japanese point of view to western business leaders who often misunderstood Japanese reticence.

His outspokenness and unorthodox views have won him some critics in Japan, but many more supporters overseas and among Japan's more

progressive-minded business-

men and public officials. Mr Morita, for example, has

advocated shorter working hours and better pay for Japanese workers, much to the annoyance of many employers, and called for greater liberalisation of Japanese markets. Such views, and his cosmopolitan manner, have won him admiration as the antithesis of the dull, blue-suited, conservative Japanese business execu-

Although his forthright manner was at times used him, he was always widely respected and admired for his ability to say what many thought but were afraid to

As he steps out of the limelight of corporate Japan, the country has embarked on a path towards greater deregu-lation and become more outspoken in defending its views. Many would agree that the change owes much to the efforts of Mr Morita.

## Few surprises from Deutsche Telekom

By Nicholas Denton, Andrew Fisher and Richard Lapper

The distribution of mandates for Deutsche Telekom's privatisation has been so heavily, and accurately, trailed that the actual announcement yesterday contained few surprises. That Deutsche Bank - whose chief

executive is Hilmar Kopper - and Dresdner Bank would be in the key international consortium was never seriously in doubt. "This is a great day for a German bank to have such a prominent role in such a significant issue," said Mr Ronaldo Schmitz, director of Deutsche Bank's investment banking operations.

The focus of international interest was on the choice of international investment bank to give a geographical balance to the global consortium.

But nor was there any astonishment that the German government chose Goldman Sachs as the third member of the global consortium. Ever since Germany decided to go for SEC registration for Deutsche Telekom and a full US listing the participation of a US investment bank was well-nigh inevitable. Goldman is the pre-eminent US investment bank in Europe and has

Telekom over the past four years. It was always regarded as the investment Goldman's expression of the ritual investment bank "delight" and "honour" carried more conviction than that

established close links with Deutsche

of many competitors who came in but with more humble roles. "Winning this mandate is an impor-tant strategic development both for our telecommunications effort and for our German operation," said Mr Robert Morris, managing director of international telecommunications equity research at Goldman Sachs and one of a team of core executives for whom the deal has been a top priority for nearly

four years.
"It goes to the roots of Goldman equity. We Sachs, which is built upon equity. We are proud to be involved in the world's



Hilmar Kopper, chief executive

for growing volumes of international equity business. It has been "book-runner" in eight separate deals, ranging from Den norske Bank to Tele Danmark, to huge Asian deals, such as Indosat, the Indonesian long-distance telecommunications concern. Sales from 11 separate tranches of shares in

these deals amount to \$3.27bn. Competitors conceded that Goldman's achievement was a testament to the US firm's long effort in positioning itself for the deal. But one London-based executive said: "Goldman have got a great headline position but from their position the devil is in the detail."

A global co-ordinator generally takes

ad role in most regional markets. Goldman has such a position in the Americas, but as joint rather than sole lead. The firm has not won inclusion in the other areas: UK, the rest of Europe and Asia. "Goldman is a global co-ordinator with a difference," said one rival. The regional consortia matter because, as one investment banker said, are product to be faring."

largest equity offering."

This year Goldman tops a premier investment bankers are expected to amount to 2 5.2 and 2 5 This year Goldman days a promise amount to 2.5-3 per cent of a total transleague of investment banks competing amount to 2.5-3 per cent of a total transthe issue will be sold in Germany by a See Lex



action that will at DM15bn (\$9.6bn) be larger than all German IPOs of the past eight years combined. Of this commission pool of about DM450m, only about 20 per cent goes to the managers of the transaction, 20 per cent to the under-writers and a full 60 per cent to the

Warburg had hoped for four banks in the global group and was disappointed only three were chosen. Mr Maurice Thompson, head of equity capital markets at S.G. Warburg of the UK, said: "We had obviously hoped for a more crowded top line and a position in it."

So Warburg can regard its position as sole lead of the UK tranche as a generous consolation for its failure to win a place in the global group. Warburg was the only bank to gain a sole lead role in any region. The bank was buoyed too by indications from Deutsche Telekom, whose chief executive is Mr Helmut Ricke, that about 20 per cent of the total issue would be allotted to the UK, about the same as that earmarked for US investors.

It is expected that 50-60 per cent of

consortium led by Deutsche Bank and Dresdner Bank. As for other banks that pitched for work in the exhaustive and exhausting tender process, there is something for everyone, almost. One source close to the German government said over 100 banks would be involved. CS First Boston's tactic of concentrating its efforts on the role of government adviser has paid off. A CSFB executive said: "The excitement of investment banking is all to do with moments like this."

He attributed the bank's success to the European character imparted by the link with Credit Suisse and a "polyglot structure and mix of nationalities". Other winners included N.M. Rothschild, which is to advise Deutsche Tele-

kom itself. The losers are less easy to identify. Merrill Lynch had been tipped as a global co-ordinator and the government's, as opposed to the company's, favourite. It has had to make do with a place in the American consortium, a bitter pill sweetened by the fact that Merrill is joint lead with Goldman

Sachs and Deutsche Bank. Kleinwort Benson had lobbied hard for a lead role. But the investment bank was only three years ago reeling after a series of defections and embarrass-ments. It said it was disappointed not to have won a lead role but privately delighted to have an important role as co-lead of the UK tranche.

NatWest is also co-lead but a surprising absence is Barclays de Zoete Wedd, which had competed strongly for the deal. "The big prizes can't be given to everybody," said Mr Andre Teeuw, head of BZW in Germany.

The competition for Deutsche Tele-

kom may have been flerce and the fees the largest on any privatisation issue. But some bankers said work would not be particularly lucrative, after the work of pitching for a deal and executing it was accounted for.

"Privatisations when everything is considered are attractive but not very profitable," said a CSFB executive. "You hope it positions you for more private-sector business with the company and within the industry."

## The British **Investment Trust**

The British Investment Trust aims to achieve long term capital growth from a portfolio of international investments and secure for shareholders regular increases in dividend.

Company Half-Year Financial Highlights as at 30th September (unaudited)

1993\* Net Asset Value Per Share Ordinary ... Shareholders' Funds Dividend Per Share 2.1p 2.0p "Restated to reflect the change in accounting policy for dividend income from a pay ex-dividend basis with effect from 1 April 1994.

Please send me a copy of the 1994 Interim Report.

To: The Secretary, The British Investment Trust PLC.

Donaldson House, 97 Haymarker Terrace, Edinburgh RH12 5HD.



Past performance is not necessarily a guide to future performance. The value of shares and income from them can fall as well as rise and investors may not get back the amount invested. Member of IMRO

Edinburgh Fund Maragers pie, Donaldson House, 97 L'hymaries Terraux, Edinburgh E1112 5110



Turbulent times: the storm may have hit the markets but will the damage last?

London

## Atlantic storm does its worst

And shares remain vulnerable, says David Wighton

he saloon bar weather forecasters were defi-nite. "Roses still blooming in November? It's not natural. It can't last," they declared at the start of the week. "The Footsie still over 3.100. with 10-year gilts yielding 8.6 per cent? It can't ast," echoed the gloomier City

The meteorological cold snap has yet to arrive, but the financial storm duly hit on Tuesday. The map looked all too familiar, with low pressure over the Atlantic leading to precipitating share prices in London.

The FT-SE 100 index lost 42.3 points on Tuesday as New York started to slide, and tumbled another 51.2 points on Wednesday after Wall Street ended the session down almost 21/2 per cent. With Wall Street closed for Thanksgiving on Thursday, there was then a nervous calm as the City peered at its barometer. Memrs of the Michael Fish school of forecasting ("hurricane, what hurricane?") saw the events as a healthy correction. Those of a more apocalyptic frame of mind announced the beginning of the end.

Nick Knight, equity strategist at Nomura, advised investors to "sell while you still can". His equally gloomy rival Aspinall, declared himself "quite certain" the Footsie would hit 2,750 before Christmas on the way to 2,200.

That might still happen. But when New York traders returned to their desks yesterday, full of turkey and pumpkin pie, the wind had dropped New York started brightly and there was little change in London shares, leaving the Footsie at 3,033.5, down almost 100 points on the week.

There was plenty to worry about at home, too. Despite the cabinet's so-called suicide threat, it seemed at least possible that Tory back-benchers would call its bluff over the European Union finance bill on Monday. And there was mounting unease about what Tuesday's Budget might bring. In particular, the fear has resurfaced that chancellor Ken-

Long get yield divided by FT-SE-A All-Share Index dividend yield

■ Highlights of the week

FT-SE 100 Index

Allied Domeco

Eastern Group

Smith & Nephe

Smith (WH)

Tate & Lyle

Vodatone

South Western Elec-

**BTR** 

لله Billam

Lonnto

FT-SE Mid 250 Index

Price

553

285

114

149

-421/2

-20

-131/2

neth Clarke will return to the subject of advance corporation tax. The cut from 25 per cent to 20 per cent, announced by Norman Lamont in March last year, released £1bn annually for the exchequer by reducing the tax credit that pension funds, and other tax-exempt investors, can claim on divi-

The money was generated at relatively little political cost, and there must be a chance that Clarke will come back for more. But reducing the rate cuts institutions' income from equities – so such a move would hit share prices, particu-larly high-yielding utilities, by making them less attractive compared with gilts.

UK institutions have been moving into gilts over the past couple of months, narrowing the yield premium they offer over US government bonds and over UK equities. The process accelerated sharply this week with the yield on 10-year gilts falling from 8.6 per cent to below 8.5 per cent while the yield on the FT All-Share index pushed back through the 4 per cent level.

That cut the ratio of yields on gilts and equities from 2.23 to just over 2.13. The doomsters point out that, at present gilt yields, the FT-SE 100 index bring the yield ratio down to its opening year levels.

ut the ratio is now close to its long-run average. As for the comparison with US Treasuries, gilts have further ground to make up, given the UK's hetter inflation outlook. There were some warning

signs this week. The Confederation of British Industry's monthly survey showed an increased proportion of manufacturers planning to raise prices to offset higher raw materials costs. Earlier in the week, Courtaulds joined the chorus of companies complaining about squeezed margins and said it would put up its fibre prices by between 5 and

15 per cent in January. Yet, even if these increases stick, it is debatable if they

3520.3

4152.8

683

175%

159%

549

824

2876.6

3363.4

Profit-taking

Windfall tax fear

Disposal losses

Lack of support

540

281

146

124%

136%

427

551

392

1571/2

ers. Still suffering from the over-expansion of the 1980s, retailers are finding it extremely difficult to push through price rises - as BHS and Mothercare admitted this

All this is encouraging City economists to stick to their inflation predictions. Indeed, Bill Martin of UBS, one of the leading pessimists, has just cut his inflation forecast for next year by 1.25 points to 3.5 per cent. As a result, he now forecasts base rates of 8 per cent at the end of 1995, rather less than the markets are expecting. Lower inflation means investors will require a lower yield on equities, so UBS has increased its target for the FT-SE 100 to 3,200 for the middle of next year and 3,400 by

Meanwhile, the interim reporting season continued to produce very healthy dividend increases. Granada, Tate & Lyle and Vodafone all announced rises of more than 10 per cent and water company shareholders felt the benefits of the industry's comfortable new price corsets. Even the back marker, South West Water, offered an 8.3 per cent rise, while Yorkshire pledged to provide growth of 5 per cent

the next five years. The market was not ed, though, with both water and electricity shares having a poor week. In part. this reflected nothing more sinister than a bit of profit-taking. But there were also also renewed worries about Labour's proposed windfall tax on the profits of utilities.

That apart, the climate looks quite favourable for equities. Yet, UK share prices will remain vulnerable to turbulence in New York, where the behaviour of retail investors could be critical.

With interest rates rising and share prices returning to the level where many investors bought, it would be no surprise to see a rush for the door. Until that threat passes, UK equities are unlikely to enjoy an Indian

#### Wall Street

## The market gives a simple message

Tony Jackson explains the reasons for a fall which had to happen sooner or later

hindsight, this week's plunge on Wall Street was an accident waiting to happen. For months, bonds had been getting cheaper and stocks had not. Last week's sharp rise in the discount rate merely prodded stocks into action. Whether they are back into line is a more ticklish question.

The point is illustrated by one simple statistic. At the start of February, just before the Fed first raised rates, the long bond was yielding 6.3 per cent and equities 2.7 per cent. By last week, the bond yield had risen to 8.2 per cent and equities to only 2.9 per cent.

To put the same point in a different way, the yield ratio rose over the period from 2.4 to over 2.8. Though this may seem a little arcane, its significance lies in the fact that the normal range for this ratio is between 2.2 and 2.6. The last time it reached 2.8 - that is. the last time equities were so expensive relative to bonds was before the crash of 1987 (it went on to peak at the crazy level of nearly 3.6).

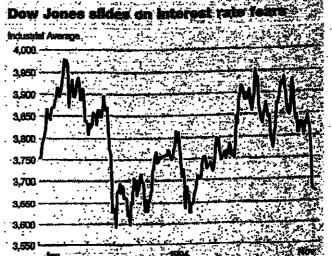
It might seem surprising that retail investors, at least, should have tolerated this. After all, one of the most striking phenomena for equities in the early 1990s was the surge of private savings into mutual funds, when the return on cash was very low. When the Fed began to push rates up in February, that money ought to

ith the benefit of have started moving out. Instead, investors seem to have assumed that the strength of US economic recovery would push up corporate earnings and therefore stock prices. thus providing capital gains to make good the shortfall in

> It therefore came as a blow to realise last week that the US economic cycle seems finally to be turning down; or if not, that the Fed has every intention of pushing up rates until it does turn down. The third quarter results season just ended brought a string of record earnings from a wide range of companies, not merely the traditional cyclical sectors, and that may continue for another quarter or so. Nevertheless, the market senses that the earnings recovery is faltering.

> An oblique but powerful piece of supporting evidence comes from companies themselves. This week, Walt Disney capped a record year of earnings by saying it had spent Om since May buying back its shares, and that it planned to spend up to \$4.5bn doing the same in future. On the same day Merck said it was going to spend \$2bn on its shares, a sharp increase on its previous buyback programme. The day after, the electronics giant AMP (market value \$7.3bn) said it too would start buybacks, under a programme already in place but not yet

Now, there are two ways of



raising earnings per share: increase the earnings for a reduce the shares for a given amount of earnings. Not all these companies believe their earnings growth will falter: indeed, AMP specifically said it expects record earnings for the next two quarters. But in general terms, when companies can find nothing better to do with their cash than retire their own equity, it is likely there are squalls ahead.

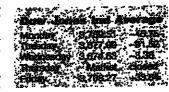
The Fed's actions apart, the other factor weighing on the market's mind is political. It is clear by now that the crushing success of the Republicans in the mid-term elections could sure, the Republicans can be expected to press for a lightening of regulatory and other burdens. But they also stand for low taxation. Cutting taxes is quicker and easier than cutting spending, particularly for a party which is committed to halting the cuts in the defence

Other things being equal, in other words, the risk is that the budget deficit will worsen. This might seem a paradox for a party which contains such powerful figures as Senator Phil Gramm, who believes the constitution should be amended to prohibit the government from borrowing at all. But for the bond market, even

supply would tend to push yields up as well, and the last thing the equity market needs now is a weak bond market. As for the week ahead, the market's indecision was shown by yesterday's thinly-traded holiday rally. There are at east two reasons for thinkfor the nervousness may not be

over. First, though the Dow has fallen further in the past week than the broader-based S&P 500, it has fallen by less since the start of the year. In other words, the big leading stocks may still be a touch overvalued relative to the market as a whole. . Second, watch that yield

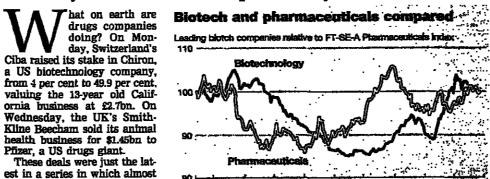
ratio. At around 2.7, it is still on the high side. It is always possible that the bond market will save the day by staging a rally. The toughness of the Fed's recent actions reinforces its inflationary credentials; and if, as its critics charge, it risks slowing the real economy too sharply, there is nothing the bond market likes better than a good recession. Either way the past week has rammed home one simple me you want to know where equities are headed these days, all you need do is work out where bonds are going first.



**Pharmaceuticals** 

## Wheeler-dealers with bottomless wallets

Nearly \$25bn has been spent this year within the industry – but why? asks Daniel Green



Take SmithKline Beecham. Like Ciba, it has small stakes But, in May, it spent \$2.3bn buying a US drugs distributor and another \$2.9bn in July on a company specialising in overthe counter branded medicines. paid \$4bn. The seller in the second deal was Eastman Kodak, which sold the rest of its drugs business - prescription products -

Meanwhile, Switzerland's Roche, which already has more than 60 per cent of one of the biggest biotech companies,

to Elf Sanofi of France for

\$25bn has been spent in phar-

maceuticals this year. But

there appear to be few common

threads other than the vast

sums involved.

\$1.7bn.

Genentech, paid \$5.3bn for a conventional US drugs company, Syntex. Another drugs went to rival American Home Products for almost \$10bn, while US drugs-maker Eli Lilly picked on a distributor and

Such furious deal-making is exceptional in any industry but doubly so for pharmaceuticals: during the 1980s, there were a a mere handful of large mergers and virtually no acquisitions. In those days, though, drugs company executives were happy with their lot and confident of the future.

In the US, especially, new products were launched at preprices. Patients mium prescribed the new products and billed the insurance company. Not surprisingly, the profits of drugs companies

increased every year. No more. In the 1990s, those who pick up the bill are learning how to drive a bargain. Outside the US, this means government legislation to cut mices: earlier this year, Japan forced through a 6 per cent cut. while italy reduced the number of drugs available on its national health service.

In the US, the payers are mostly employers who offer health insurance to their staff. A decade ago, they began to use companies called health management organisations (HMOs) to buy medical ervices and drugs cost-effec-

Today, one-fifth of those holding health insurance policles in the US are in "managed care". Their doctors are under pressure to prescribe drugs from an approved list of products which the HMO has obtained at cut prices. The effect has been salutary.

"Drugs company chiefs recognise that profits are going to be harder to come by," says Jacqueline Cantle, pharmaceu-Smith New Court. "One solution is to get bigger - hence the deal-making."

Yet, as any corporate raider will tell you, finding good buys is difficult. Each of the acouisitions this year appears to have flaws. The distributors are tiny businesses in highly competitive markets. Syntex and American Cyanamid are comnanies which have seen better

The biotechnology sector is having one of the worst years in its short history. The average price of the 250-odd quoted US hiotechnology companies has fallen by almost 30 per cent. In the UK, three companies were among the worst performers of the 130-plus stock market flotations of the past

Only SmithKline Beecham has so far put its deal-mania into a wider setting. It says it is now a human health-care provider. It does not treat animals and is not confined solely to drugs. That means a halt to the deal-making, said Jan Leschly, its chief executive. He added: "I can't rule out

further acquisitions, but what's next is to make sure that we make the most of our investments through synergy and restructuring.

Still, while one company apparently bows out of the deal-making arena, another steps in. William Steere, Pfizer's chairman and chief executive, indicated that he had only just begun his series of acquisitions. And many other companies - notably Glaxo, Europe's biggest drugs company - have yet to start. The fountain of cash from

the drugs sector has not

Barry Riley

## Why Wall Street lost its balance

Perhaps the only puzzle is that it did not happen sooner

ith one foot on firm economic ground and the other on a drifting bond market, Wall Street finally lost its balance and took a ducking this week. The only puzzle, perhaps, is that it did not happen two or three months ago. Regular readers will know

that I have been pursuing two or three distinct but connected capital market themes for most of this year. Wall Street's correction takes the story into

One regular theme has been the worrying imbalance between the violds on fixed-interest bonds and equities as bonds worldwide have plunged into a severe bear market but stock markets have been reluctant to follow. Wall Street has stood out as a gravity-defying phenomenon: at the beginning of this week, the Dow Jones Industrial Average was still showing a gain of 2 per cent on the year thus far.

A second strand has been the impact of rising US short-term interest rates on the dollar bond market which by the beginning of this year, was inflated dangerously by credit-financed speculation and massive positions in

At the beginning of February, US Federal Reserve chairman Alan Greenspan said he would cease pumping up the financial economy with

would raise short-term interest rates progressively to a normal level. So far, he has got to 5½ per cent and, with the US economy still booming, plainly he has not finished yet. Bonds have been weak all year as the leveraged positions have been unwound, and the recent drift up in the US Treasury 30-year bond vield from 8.0 to 8.2 per cent has finally cracked in the equity

market

funds have been following a perverse pattern. Long-term vestors around the world have been refusing to finance the extravagant habits of the Americans, reflected in a balance of payments deficit likely to be \$150bn for 1994. At the same time, Americans have been trying to diversify their pension and mutual fund portfolios by buying foreign equities, notably in the fashionable emerging markets of the Far Bast and Latin America. This has added greatly to the overall external capital needed to balance the

Third, international flows of

The Japanese - who, obligingly, financed the US deficits in the 1980s and lost a lot of money by doing so – have sat on their cash at home. So, the dollar financing gap has been plugged largely through intervention by Far Eastern central banks anxious that their currencies should not appreciate too fast: they

have been big buyers of US Treasury bonds. Even so, the apparent

one-way bet at the beginning of the year - that the dollar would climb along with interest rates - has gone seriously wrong. The further the dollar has fallen, the cleverer the Americans feel they are to push money overseas, and the more reluctant are the Japanese to throw good money after had. From a low point in the

The relationship between gilts and equities reached its breaking point this week

summer, however, some of the stock markets around the world have tried to rally. The emerging markets, for instance, completed their shake-out in June and, by September, the IFC index of 24 national markets was showing a recovery of 22 per cent. Even Wall Street got back to within about 1 per cent of its all-time high as recently as October 28. But this second minor hubble in equities has now blown up: Hong Kong lost 4.3 per cent on Wednesday alone and even Tokyo, normally resistant to international trends, dipped to its lowest levels since

Markets are being teased by the surprising strength of the global economy which, led by the US and the Asian tigers, is heading towards growth of something like 4 per cent. The implications for profits and dividends are plainly good. but interest rates and inflation may go up. So, the relationship between gilts and equities has been stretched, and this week reached breaking point.

There is, howeve something very odd about this recovery: it is not being stimulated by bank lending (In most countries, banks are struggling to find new business; in the UK, for instance, the housing market is remarkably sluggish as mortgage lending stagnates). Instead, the finance is flowing through the capital markets. This, especially in Europe, is leading to a lop-sided expansion, with companies full of cash but consumer

spending relatively subdued. This absence of credit stimulation is a good reason for believing that inflation will stay low. But there is an accompanying worry that the recovery will be short-lived. Exports and capital investment cannot keep the economy booming healthily on their own without buoyancy

in consumer spending. The immediate reason for the crack in US equities might thus be that investors cannot any longer believe that profits' growth in the next few years will be high enough to justify the enormous income gap between shares (yielding under 3 per cent) and government bonds (around 8 per cent).

Looking a little further out.

moreover, a structural shortage of demand for US equities seems likely to develop. As interest rates ris mutual-fund buyers will drift back to their normal safe haven of savings deposits (this has already happened with bond funds). The US bond markets will continue to absorb a disproportionate share of the available capital flows as the national taste for borrowing collides with a low

Eventually, money for equities will appear from omewhere: foreign buyers will probably move back into Wall Street stocks, which they have shunned for several years because they have been too expensive. British pension funds, for instance, have only 4.8 per cent of their portfolios in US equities, compared with 9.7 per cent in the Far East and 8.1 per cent in continental Europe. But US equities will have become quite substantially cheaper before this shift will seem attractive

to foreigners. Wall Street has taken a plunge. Now we shall see if it

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## Dow stages recovery in low volume

**Wall Street** 

US share prices reversed the declining course seen earlier in the week to close yesterday's half-day session solidly higher in extremely light volume, writes Lisa Bransten in New

At the close, the Dow Jones Industrial Average was up 34.98 at 3,709.61. The more broadly based Standard & Poor's 500 rose 2.57 at 452.50. while the American Stock Exchange composite gained 2.25 at 434.65. The Nasdaq composite was up 5.82 at 742.52 Trading volume on the NYSE came to 109m shares.

Program trading early in the morning helped to push the market to a positive close for the first time since November 16. The market, which closed at 1 pm for the Thanksgiving

An upbeat return by Wall Street lifted bourses in the afternoon, writes Our Markets

Staff. Mr François Langlade-

Demoyen at CS First Boston

thought that US weakness

could resume next week, and

that European equities offered

better potential returns than

FRANKFURT seemed short

of motivation on the session

their US counterparts.

holiday, also pushed back up through the 3,700-point floor that it had fallen through earlier in the week, for the first time since July. The market was closed on Thursday for Thanksgiving.

reversed their previous course, holding steady after a week of relatively steady gains. Twoyear notes were flat, while the benchmark 30-year Treasuries gained slightly.

Several cyclical stocks rebounded from losses earlier in the week. Aluminum Company of America rose \$2% at \$80%. Allied Signal gained \$1% at \$32%, Caterpillar was up \$% at \$53%. United Technologies climbed \$11/4 at \$561/4 and International Paper increased \$11/4 Both Bankers Trust and Gib-

son Greeting gained on news that the two had settled a lawsuit filed by Gibson over derivative losses. Bankers Trust rose \$% at \$57% and Gibson was up \$1% at \$13% after the companies announced an outof-court settlement that essentially released Gibson from

Bourses lifted by upbeat Wall Street return

10.30 11.00 12.00 13.00 14.00 15.00 Close

1331.03

1391.75

THE EUROPEAN SERIES

FT-SE Actuaries Share Indices

FT-SE Eurotrock 100 1327.72 1328.85 1326.44 1328.68 1327.00 1327.13 1328.19 1328.77 FT-SE Eurotrock 200 1377.18 1376.70 1376.30 1377.49 1378.32 1378.55 1379.82 1380.81

Nov 23

1370.41

US Treasury prices also \$14m that it owed the bank at 1300 local time in turnover from two swap agreements. The settlement put an end to the smaller of two derivativesrelated suits filed against

> American Depository Recelpts of Sony, which are traded on the New York Stock Exchange, rose \$1% at \$51% after Mr Akio Morita, the chairman, announced retirement. Sony was the first Japanese company to have a listing on the NYSE. News that Archer-Daniels-Midland planned a \$700m expansion of an Iowa plant did not help the agribusiness giant. Its shares fell \$1/4 at \$281/4.

Bankers Trust

São Paulo failed to extend Thursday's 4.1 per cent recovery, the Bovespa index losing 1,553, or 3.4 per cent, to 44,181

pany, lost L45 at L1.769.

Credito Italiano lost L51, or 3

per cent, to L1,638 after reports

that the bank appeared to be

winning over leading share-

holders in Credito Romagnolo

to its L2,000bn takeover offer,

but that it might have to pay a

higher price and would take

more than the 48 per cent origi-

nally proposed. Romagnolo

gained L493, or 3.0 per cent, to

L17,096 amid speculation that

better tone on Wall Street, and

the SMI index finished 3.9

higher at 2.572.5. for a 1.3 per

of R\$119.5m (\$138.8m).

Analysts said that anxiety over the future of small banks combined with a lack of definition on how Mr Fernando Henrique Cardoso, president-elect, would form a cabinet, continued to tax sentiment.

Venezuela

Caracas plunged across the board to a four-month low, led by panic selling of the benchmark stock, Electricidad de Caracas. The Merinvest com-posite index closed 2.85, or 2.4 per cent lower at 117.24, down nearly 20 per cent this month. Electricidad de Caracas tumbled 12.00 bolivars to 199.00

bolivars, down 40 per cent since October 28, as investors offloaded existing shares to participate in a one-for-six rights issue.

lacklustre trade, the AEX

index giving up 0.36 to 406.45

for a 0.8 per cent fall on the

after Thursday's better-than-

expected nine-month results

prompted a number of analysts

to upgrade earnings estimates.

Fl 65.80 with Thursday's nine-

month figures falling short of

Written and edited by William

Johannesburg was easter with

investors reluctant to enter

the market in the absence of

an overnight Wall Street lead.

The overall index lost 34.9 to

Cochrane and Michael Morgan

**SOUTH AFRICA** 

some expectations.

CSM dropped Fl 1.60 to

Ing rose 80 cents to Fl 80.30

March's record 4,609.

ber to just over C\$17. Similarly, shares of most Canadian gold producers are lower than they were when gold bullion was last trading around US\$385 an ounce.

5,831.4, for a 93-point decline on the week, industrials were 20.7 down at 6.929.2 and golds were 21.3 lower at 2,045.7. De Beers ended R1.75 down R94, continuing its recent poor showing amid concern that its control of the diamon market was slipping. Anglos were R3 weaker at R231. at present over 9 per cent, com-

## Toronto frustrated by worldwide shudders

But fundamentals are strong, writes Bernard Simon

markets and choke corporate

earnings. Canadian economists

have lowered their growth

forecasts. Most expect that real

growth will slow to about 3.5

per cent in 1995 from 4 per cent

In addition, with Canada's

this year.

Canada

Toronto SE 300

4,500

4,400

4,300

4.100

4,000 -

Source: FT Graphite

biggest companies listed in

both Toronto and New York,

the turmoil on Wall Street has

sideswiped the TSE. For

instance, Northern Telecom

has lost 8 per cent of its value

so far this month, closing last

Most analysts remain confi-

dent that the recent slide in

share prices is a relatively

brief correction. Nesbitt Burns,

a Toronto-based securities

dealer, forecasts that the TSE-

300 will bounce to a new record

of 4,700 within the next 12

months. "As bond yields tread

water and earnings jump, con-

fidence should rise in both the

length of the profit expansion and the height of the cyclical

peak," says Mr Ben Joyce, Nes-

A downward push of interest

rates to keep the recovery on track would reinforce the bull-

ish case. Mr Frank Hracs, chief

bitt's portfolio strategist.

Thursday at C\$44.88.

4,600

he Toronto stock pared with 5.25 per cent on exchange should be booming. The mainstays of the Canadian economy metals, forest products and the automotive industry – are

storming ahead. Corporate profits are climbing steeply, with many com-panies also boosting dividends. inflation is non-existent. The US Federal Reserve's latest interest-rate hike caused only a modest hiccup in credit markets north of the border. The brunt of the adjustment has fallen on the Canadian dollar, giving exporters another reason to cheer.

However, the TSE has not been able to escape the shudders which have jolted equities markets around the world. The TSE-300 index lost 66 points in the first three days of this week. Although Thursday saw a 37-point raily, the index which closed at 4,085, remained 11.4 per cent below last

Professionals are puzzled. "When things are acting contrary to good and valued assumptions, it's hard to find concrete reasons," says Mr David Mather, senior vice-president at Elliott and Page, a portfolio-management house. The fundamentals for Canadian equities, especially the resource-based stocks, are as good as they've been in a long

The anomalies are glaring Abitibi-Price earlier this month announced its fourth newsprint price rise of the year, and the company should also benefit from the recent slide in the Canadian dollar. But its share price has slithered from a 1994 peak of C\$20.62 in late Septem-

Canadian bonds are an unusually attractive investment now. Although domestic interest rates have not risen much in recent weeks, yields in real terms are among the highest anywhere. The yield on 30-year government of Canada bonds, adjusted for inflation, is

economist at RBC Dominion comparable US Treasuries. Securities, told an investment conference this week that "with the onset of the New Money managers pinpoint the US bond market as the Year, we will not be surprised main culprit for Toronto's to see an aggressive investor response to interest rates that equity woes. Many are pervous that the 75-basis point rise in have not made fundamental the Fed funds rate on Nove ber 15 will not be the last. sense for some time now". Climbing interest rates already Mr Mather favours metal and threaten to brake the recovery in both the US and Canada, reverse the boom in metals

gold producers, and forest products companies, especially those geared to pulp and newsprint. On the other hand, he has shied away from sectors sensitive to volatile interest rates, such as utilities. Lévesque Beaubien Geof-

frion a Montreal-based firm. says in its latest market commentary that the outlook is brightest for the oil and gas sector. "We believe that the market has not fully discounted a return of oil prices above US\$20 a barrel in 1995 as a result of new secular demand from the emerging countries of southern Asia and Latin America," the firm says.

But while some analysts may see the correction as a buying opportunity, a note of caution comes from Mr Murray Taylor, vice-president for marketing at Great-West Life, one of Canada's biggest insurance companies which also manages 13 investment funds. Mr Taylor, an actuary, warns

that investors - especially those without instant access to breaking news - take a big risk by attempting to time buy-and-sell decisions according to up-and-down bumps in the market. Average investors have only a one-in-four chance of getting their timing right on a simultaneous sale and purchase. The odds on being successful twice in a row drop to about 6 per cent, according to Mr Taylor.

On the other hand, he calculates that anyone who has bought shares on the Toronto stock exchange at any time since 1924 and has hung on to them for 30 years, would have done substantially better than investing in fixed-income secu-

On that basis, plunging into the market now should offer far better rewards than buying just before the big crashes of 1929 and 1987.

#### the Dax index trading narrowly between 2057.51 and 2051.12 before closing 4.35 lower at 2,051.62, 2.4 per cent

down on the week. In the afternoon, the Ibis indicated Dax recovered to 2,058.27. Turnover fell from DM5.1bn to DM4.5bn. There were some biggish falls in blue chips: DM395 after a television interview with the chairman put a

Henkel, lacking the charms of more cyclical chemical stocks, shed another DM12.50 to DM564.50; VW produced its five-year review and dropped DM9.50 to DM446.50 as analysts said that brokers' forecasts for 1995 earnings had been considerably higher than the DM890m pre-tax expected by the carmaker.

Retailers saw more weakness, Karstadt losing DM12.50 at DM554.50 on its bearish 1994 outlook and Kaufhof DM6.40 at DM451.60. However, there

was brighter news among second liners, noted Mr Eckhard Frahm at Merck Finck in Düsseldorf: Krones put on DM40 to DM900 after the engineer's UK presentation this week; and Kampa Haus, the prefabricated housing company which had suffered from a UK analyst's downgrade, recovered DM66 to

FT-SE Eurotrack 100 FT-SE Eurotrack 200

better view of prospects. PARIS reversed early losses after Wall Street's opening and the CAC-40 index eventually closed 11.21 higher at 1,945.89 for a 1 per cent gain on the week in turnover of FFr2.8bn. Alcatel Alsthom recovered another FFr5.40 at FFr445.60, professionals noting that it

was still more than 50 per cent

below its year's high; Générale

des Raux staged a technical

rebound, FFr24, or nearly 5

per cent higher at FFr510. On the losing side, DMC fell FFr13.10 to FFr305 after analysts cut their estimates for the textiles company; and CCF by FFr6.30 to FFr229.10, on disap pointment after the bank projected second-half profits similar to those of the first six

(351.17

1411.82

MILAN remained vulnerable to the fraught political situation and the Comit index fell 3.48 to 623.17, 3.2 per cent lower over the week. Politics also spilled directly into business as concern grew

that the country's second cellular telephone licence, awarded to an Olivetti-led consortium, could be delayed by lingering opposition inside the governing coalition. Olivetti gave up L34 or 1.8 per cent to L1,868 while Cir, Mr Carlo de Benedetti's industrial holding comanother bank, or banks, might KPN put on 50 cents to enter the fray. Fl 54.20, with investors still ZURICH edged ahead in said to be encouraged by the company's cost-cutting plans. quiet trading, supported by the

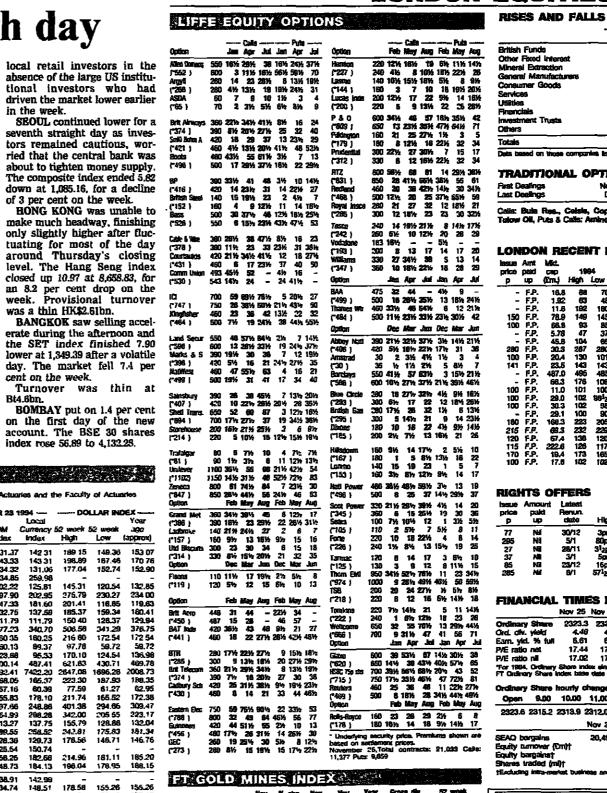
week.

cent decline over the week. UBS bearers reversed some of the sharp losses seen after Tuesday's extraordinary shareholders meeting, picking up SFr17 to SFr1.135 while the registered were SFr4 ahead at SFr252. SBC continued higher, adding SFr2 to SFr364 and CS Holding bearers were up SFr4 at SFr550

Swiss Re registered gained SFr4 to SFr792 after the group forecast markedly higher net profits for 1994 before accounting for extraordinary gains for direct insurance sales

AMSTERDAM was lower in

#### LONDON EQUITIES



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Nikkei declines for the fifth day Tokyo

**ASIA PACIFIC** 

Share prices fell for the fifth consecutive day, with early gains wiped out by position covering by dealers and profittaking, writes Emiko Terazono in Tokuo.

The Nikkei 225 index lost 34.41 to 18,666.93, down 3.3 per cent on the week. The index moved between 18.847.07 and 18,666.13. Share prices were higher in the morning on buying by public funds and investment trusts. However, a fall in the futures market prompted selling in the afternoon by brokers closing their books on the

last day of November delivery. Volume totalled 270m shares against 308m. The Topix index of all first-section stocks edged down 0.14 to 1,484.02 while the Nikkei 300 inched up 0.06 to 272.73. Losers led gainers by 539 to 399 with 236 unchanged and, in London, the ISE/Nikkei

50 index rose 2.09 to 1220.59. Traders said that public funds were the only buyers of the day.

"Share prices fell once they

FT-ACTUARIES WORLD INDICES

Sony rebounded Y130 to Y5,160, gaining for the first time in five trading days as overseas selling eased. Matsu-shita Electronic Industrial rose Y10 to Y1,500 but heavy electricals lost ground, including Fujitsu which fell Y10 to

Y1,000. Brokers rebounded with Nomura Securities up Y10 to Y1,900 and Yamaichi Securities up Y10 to Y695. Banks, which reported weak interim earnings on Thursday, were mixed. Dai-Ichi Kangyo Bank fell Y10 to Y1,640 and Mitsubishi Bank

rose Y20 to Y2,190. Steels were hit by profit tak-ing. Nippon Steel, the most active issue of the day, fell Y2 to Y373 and NKK declined Y4 to Y267. Kawasaki Steel, how-

ever, rose Y6 to Y416.
In Osaka the OSE average fell 43.48 to 20,746.33 in volume of 30.7m shares. Nintendo, the video game maker, fell Y130 to

Roundup

Activity was restricted stopped buying in the after- throughout the region by the most gains were driven by index rose 56.89 to 4,132.28.

noon," said a Japanese broker. absence of Wall Street, closed for the Thanksgiving Day holi-

TAIPEI, however, picked up 1.3 per cent as textile and steel stocks found renewed demand. The index rose 81.80 to 6,421.82 in turnover of T\$41.96bn, for a 1.1 per cent rise on the

The market's mood had improved after the authorities had agreed on Thursday to lift the ceiling for combined for-eign holdings in listed Taiwanese companies to 25 per cent from 10 per cent.

Among textiles issues, Hualon rose 30 cents to T\$23.60, and Shinkong Synthetic Fibres 50 cents at T\$32.30. Chung Shing Textile hit its daily 7 per cent limit at T\$15.60.

SYDNEY capped a week of volatile price swings with a second day of gains as the market nearly recouped all of this week's early losses. The All Ordinaries index

rose 24.3 to 1,910.0, sharply higher than Wednesday's 16month low of 1,857, but 0.6 per cent lower on the week.

Traders, however, noted that

local retail investors in the absence of the large US institutional investors who had driven the market lower earlier in the week.

seventh straight day as investors remained cautious, worried that the central bank was about to tighten money supply. The composite index ended 5.82 of 3 per cent on the week. HONG KONG was unable to

only slightly higher after fluctuating for most of the day around Thursday's closing level. The Hang Seng index closed up 10.97 at 8,658.83, for an 8.2 per cent drop on the week. Provisional turnover was a thin HK\$2.61bn.

BANGKOK saw selling accelerate during the afternoon and the SET index finished 7.90 lower at 1 349 39 after a volatile day. The market fell 7.4 per cent on the week.

Turnover was thin at Bt4.6bn. BOMBAY put on 1.4 per cent

on the first day of the new account. The BSE 30 shares

MATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock BIER 23 1994 — DOLLAR INDEX — Year
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-10 5,852 3,340 1 +25 3,865 2,341 1 +26 3,245 1,525 1 +7.50 211 76 1 -20 12,450 6,110 1 -44 3,100 1,554 2 -50 2,912 1,552 1 +7 2,010 940 1 -48 2,518 1,519 2 -50 13,738 4,9150 1 -11 2,564 4,073 1 -30 7,538 4,073 1 19 18 20 21 48 52 B Count Briggag B Rosma Belogi Brestin Burgo CIA Custsp Crestin Cristin Cristin Cristin Ferfin 2,725 2,725 1,802 117,50 19,300 1,775 1,786 1,342 1,842 1,842 1,842 1,250 1,242 3,645 3,795 11,430 36,750 3,530 3,530 2,450 2,100 2,100 10,470 2,150 2,150 9,50 4,70

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Bular 1994 High Low 11gar 23 HOY 22 2678.36 (31/1/94) 109.77 (18/10/93) 1962.29 (2/2/94) 256.46 (31/8/93) 41.22 (27732) 54.99 (1/10/81) 12.32 (8/7/32) 10.50 (8/4/32) 3678.35 (31/1) 165.64 (21/1) 1862.29 (2/2) 227.05 (3/1) 3593.35 (4/4) 93.75 (21/11) 1422,19 (23/11) 173,94 (22/11) retical(4) AFRICA 438.52 (44) 610.05 (21/4) 39.67 (22/11) 482.00 (2/2/94) 583.10 583.10 58/10/94) 48.40 (28/9/93) 4.40 (1/6/32) 3.62 (21/6/52) 8.94 (1/10/74) **482.00** (2/2) ABSA AFECI A 583.10 (28/10) 45.94 (14/5) 267.71 (2/2/94) 487.89 (2/2/94) 883.93 (18/3/94) 243.14 (4/4) 422.87 (28/6) 683.79 (24/6) 287.71 (2/2) 487.89 (2/2) 883.83 (18/3) 4.46 (25/4/42) 29.31 (9/12/72) 54.87 Nov 18 2.79 Year ago 2.71

Nov 11 2.78 Nov 9 2.39 20.93 Nov 4 2.78 Nov 2 2.39 20.95 Nov 16 2.38 19.03 Year ago 2.38 28.88 AND POORS 500 HIDEX FUTURES \$500 times index Change +3.10 +3.10 +3.00 Open Sett price 450.55 453.65 454.00 456.65 458.90 460.50 High 453,70 456,60 460,50 Low Est. vol. Open int. 450.65 104,483 209,781 453.95 9,830 46,052 458.90 450 4,818 Dec Mor Jun E TRADBIG ACTIVITY Change on day
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7,715 22,108 18,428
7,715 22,107 18,428 Closes prices 34% 51% 48% 42 23% 56% 48% 70% 48% 3896 Sincis traded 1,572,200 1,495,400 1,392,500 1,233,900 1,247,200 1,147,300 1,053,600 1,037,200 1,027,800 1,027,800 1,018,400 td 329.517 329.517

FPL
Telefonce
AT & T
Gen Motor
Cilicorp
Wol-Murt
Motorola
IBM
Chrysler
Merck New York S Amer MASDAQ MYSE Issues Trad Rises Falls Unchanged New Highs New Lows 2,933 1,144 1,236 553 3 344 2,720 1,482 554 684 3 54

† Correction. \* Calculated at 15.00 GMT. • Excluding bonds. † Industrial, plus Utilities, † § The DJ linds, index theoretical day's highe and lows are the averages of the highest and acodi; whereas the actual day's highe and lows (supplied by Telelaus) represent the highest during the day. (The Egs in brackets are prov day's). § Subject to official recalculation. New

2,933 475 1,895 563 8 325 JAPAN (Nov 25 / Yest) Alimita Alebor Alimita Alebor Alimita Alebor Alimita Alebor Alimita Alebor Alebor Alimita Alebor Ale

PACIFIC

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THE REEL PATES

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BONG KONG (Nov 25 / HJK.S)

MALAYSIA (NOV 1.82 d 21.20 14.30 16.60 3.80 3.84 4.80 18.90 10.80 +02 880 152 21 +30 2376 1675 12 +30 1676 10 1266 10 -10 1880 1330 11 +02 685 320 12 -15 840 530 32 +10 2410 1688 04 +30 2030 10.10 

Boustd Bening HLCmil Mattin Mattin MkPurp Pits Senac Teleton Tenagu 1270 10.20 227 -10 19.80 16 04 -02 348 248 34 - 0.55 245 34 - 0.66 426 57 -10 12.00 9 17 -10 12.00 9 17 -10 12.00 10.40 17 - 17.10 12.10 12.00 - 17.10 12.10 12.00 - 17.10 12.10 12.00 - 17.10 12.10 12.00 - 17.10 12.00 12.00 - 17 DBS Frailly GGFAs Hawfa Hawfa Hawfa OCEC OUB S Airf SPress S'pre T Sixel Tatlos UOS 10.40 18.20 2.48:20 5.30 11.90 14.86 5.85 13.40:21 16.50 3.53 4.42 10.90 Prices applied by Table MOTES - Prices on this pape are as quoted on the individual qual-super may are moutly top's trained prices displayed, are a famed on data from ten 1 1904. I formation accumulated will be displayed as in acres beans, or its rights, x2 for all

Change your Future.
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298.22 4/1 1445.57 4/1

1873.33 4/1

742.04 5/10 2116.39 5/10 1988.59 7/10

804.37 22h



1258.45 5/10 1136.46 5/10 290.28 21/3 141.65 21/4

Est. vol. Open int. 16,472 15,344 2,999 26,287 303 372





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هكدامن الأصر

3EP, 26/NOVEMBER 27 1994

#### WORLD INTEREST RATES Dollar French Franc MONEY RATES ₋ira weakens The lira yesterday fell to a record low on the the foreign exchanges amid continuing 1,55 probe, but currency markets proved less sentimental. While there were no fresh uncertainty about the survival of the prime minister. Mr Silvio Berlusconi, and his government, writes Philip Gawith. The lira finished in London 1.53 lower, sentiment clearly remains nervous. Investors appear to be troubled not so much by the prospect of another Italian government at L1,038 against the D-Mark. from L1,034. Analysts are now predicting that the lira could fall to L1,050, or even L1,100. falling, as by what this would mean for managing the budget deficit, and pensions reform. Market activity was quiet, as the Thanksgiving holiday in Although some analysts believe the lira could fall as ers already had long D-Mark positions against the lira. The year. The franc weakened to BFr20.6 against the D-Mark, ground after the release of the CBI monthly trends survey gian and Luxembourg finance ministers, as well as the Luxthe US on Thursday spilled US Dollar CDs scope for further selling was showed the proportion of manembourg treasury director. thus fairly limited. "I would not want to overdo ing to close at BFr20.57. SBC distanced itself from the Mr MacKinnon at Citibank said talk of the franc devaluing ufacturers planning to raise prices rose again this month. narrow range to close at DM1.5589, from DM1.5582, and 1.5700 1.5699 1.5686 7.5696 Y98.765 from Y98.435. Sterling had a stable day, despite lingering political uncertainty. It finished at DM2.4368, from DM2.4368, and the gloom, but it is very diffitral bank will go through hell and high water to maintain the cult to see the lira making sigthat interest rates may rise again after the next monthly "hypothetical interpretation of nificant headway, even in scenarios". The house view is a low as L1,100 against the D-Mark, others believe the downside is more limited. Mr monetary meeting on December 7. The March 1995 contract settled at 92.99, from 93.07, and largely unchanged exchange link with the D-Mark." He said rate over the next year for the franc against the D-Mark. that the currency markets were also fairly immune to capital flows, with market at \$1.5631 from \$1.5621. Neil Mackinnon, chief econo-A suggestion in the article three month LIBOR rose to 6% mist at Citibank in London, said he was "disinclined to slightly after a newspaper uncertainty more likely to per cent from 6 per cent. A magazine opinion poll showed 53 per cent of Italians In its daily operations, the Bank of England cleared a bourg francs - currently at parity under a monetary agree-ment - would decouple on Janarticle, attributed to Swiss show up in bond prices, rather 54 - 5 64 - 6 54 - 54 54 - 54 54 - 51 104 - 87 74 - 74 81 - 87 54 - 55 54 - 55 54 - 55 54 - 56 64 - 6 Bank Corporation, predicted a than the currency. felt Mr Berlusconi should not He said the bank's volume 10 per cent depreciation of the uary 1, was denied by the Bel-Belgian franc over the next ■ Short sterling futures lost -0.0188 455 - \$88 +0.0211 721 - 507 +0 0126 400 - 461 +0.0473 071 - 240 +0.0107 658 - 743 +0.0027 358 - 373 +0.552 557 - 755 +0.0032 135 - 149 +12.32 705 - 942 +0.0211 721 - 507 +0.001 256 - 303 +0.0203 786 - 852 +0.253 673 - 877 +0.859 644 - 858 +0.0012 634 - 651 17.1478 10.995 32.04 6.1047 4.8055 5.355 1.5581 2,4392 2,4398 375,930 372,694 1,0157 1,0099 2529,50 2512,04 50,1680 50,0310 2,7314 2,7236 0.2 1.0137 -3.0 2545.84 0.6 50.0014 0.5 2.7245 0.0 10,6849 -8.3 253.685 -2.2 204.464 -1.9 11,7306 Est. vol 6,170 12,336 3,718 2,925 94.38 94.12 93.72 93.37 -0.01 -0.03 -0.02 -0.02 50.0864 2.7283 159,735 130,38 7,48 1,3185 -0.01 -0.01 +0.0015 830 - 636 +0.0087 409 - 444 +0.0035 503 - 517 +0.0051 838 - 903 +0.0003 001 - 002 +0.005 580 - 600 +0.0014 759 - 764 +0.001 450 - 480 1.3314 7.7362 165 322 775 1.3189 1.3129 7,7322 7.7310 31.3775 31.3700 1,3169 7,7297 31,448 +0.01 +0.02 +0.03 +0.0077 823 - 877 +0.0391 289 - 524 +0.0011 953 - 981 +0.0029 186 - 215 +0.0238 258 - 192 +0.004 614 - 641 +0.002 261 - 302 +0.007 200 - 534 +0.64 - 200 +0.012 626 - 194 +0.0192 626 - 194 +0.0192 626 - 194 154.310 153.660 5.8710 2.2927 5.5368 6.5554 -0.23 -0.23 -0.23 -0.22 -0.18 96.02 95.73 95.45 95.12 95.99 95.75 95.45 -0.01 -0.01 95.98 95.72 95.44 95.12 +0.01 CROSS RATES AND DERIVATIVES Low 94.09 93.82 93.34 92.88 -0.03 -0.02 -0.01 94.08 93.82 93.33 94.11 93.84 93.35 496.3 260.6 297.1 102.1 405.9 213.1 243.0 4.119 2.163 2.466 0.847 307.9 161.7 184.3 63.34 4.861 2.563 2.910 1 5.448 2.880 3.260 1.120 -0.00091 -0.0044 -0.00056 0.422 3.914 10 4.294 5.251 9.152 5.174 10.68 4.965 8.833 6.922 8.344 0.331 3.067 7.836 3.366 4.116 7.173 4.056 8.371 3.892 5.356 5.425 8.540 0.040 0.372 0.849 0.408 0.499 0.869 0.481 1.014 0.471 0.649 0.657 9.838 91.13 232.9 100. 122.3 213.1 120.5 248.7 115.6 169.1 161.2 194.3 8.046 74.53 190.4 81.79 100. 174.3 98.55 203.4 94.56 130.1 131.8 158.9 0.377 3,497 8,936 3,837 4,692 8,177 4,624 9,543 4,437 8,106 8,185 7,455 0.096 0.893 2.281 0.979 1.196 2.087 1.180 2.496 1.132 1.559 1.579 100. 926.3 2367 1016 1243 2168 1225 2528 1175 1617 1638 1975 0.482 4.276 10.93 4.692 5.737 10 5.654 11.87 5.425 7.466 7.563 8.117 Dec 0.11 0.50 1.83 3.75 6.09 8.50 FT GUIDE to WORLD CURRENCIES The FT Guide to World Currencies table can be found on the Compenies & Finance page in Monday's paper.

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London commodity markets languished yesterday as New York traders took a second day off to digest their Thanksgiving turkeys. And none was more languid than aluminium.

After pushing to a fresh fouryear high of \$2,015 a tonne for the three months delivery position on Tuesday the London Metal Exchange aluminium contract succumbed to the downward "correction" that most market analysts thought inevitable following the 15 per cent run-up of the past month.

The price quickly back-tracked below the \$2,000 mark and continued downwards as relatively modest selling met little buying resistance. The fall accelerated yesterday morning as speculative liquidation breached successive chart support points and by the close

(As at	Thursday's	ciose)
tonnes		

Aluminium	-16,400	to 1,872,150
Aluminium alloy	-20	to 26,700
Copper	-1,850	to 320,075
Leed	-875	to 358,900
Nickel	+792	to 151,254
Žinc 💮 💮	-3,725	to 1,206,775
Tin	-145	to 28,900

three months metal was trading at \$1,887.50 a tonne, \$12.50 off the low but \$61 down on the day. Traders noted that the nearby supply tightness that had narrowed the cash discount against three months delivery to just \$1 a tonne at Monday's close had eased somewhat. Yesterday the discount ended at \$15.

Supply tightness was still very evident in the copper market, where the cash price remained at a substantial premium to the three months position. And with stocks of copper in LME warehouses continuing to fall prices bounced quite strongly after a mid-week shake-out. The three months quotation, which dipped to \$2,753 a tonne at one stage on Wednesday, closed yesterday at \$2,827.50 a tonne,

MONDAY: Parliament votes on

the increase in the UK's contri-

bution to the EU budget, Major

British banking groups' mort-gage lending (October). EU for-

eign ministers meet in Brus-

sels (to Nov 29). Parliamentary

assembly of Western European Union (WEU) meets in Paris

(to Dec 1). Strike by Belgian

public sector company work-

#### WEEKLY PRICE CHANGES

	Latest	Change	Your		994
	prices	on week	<b>190</b>	High	Low
Gold per troy cz.	\$384.95	+0.95	\$377,00	\$396.50	\$369.50
Silver per troy oz.	330.60p	+0.10	315,50p	384.50p	328.30p
Akuminium 99,7% (cash)	\$1872.5	-93.5	\$1038.0	\$1966.0	\$1107.50
Copper Grade A (cash)	\$2857.5	-22.5	\$1633.5	\$2915.5	\$1731.50
Lead (cash)	\$668.5	-8.5	\$415.5	\$675.0	\$426.0
Nickel (cesh)	<b>57625.0</b>	+26	\$4977.5	\$7825.0	\$5210.0
Zinc SHG (cash)	\$1143.0	-33	\$924.5	\$1188.5	\$900,5
Tin (cash)	\$8130.0	-70.0	\$4622.5	<b>58270.</b> 0	\$4730.0
Cocce Futures Mer	£987	+3	21053.0	21124	2859
Coffee Futures Jen	\$2963	-295	\$1266.0	\$4091	\$1175
Sugar (LDP Raw)	\$357.7	+19.8	\$269.4	\$357.7	\$252.9
Barley Futures Mar	2104.25	-0.75	2105.75	2105.50	£92.65
Wheat Futures Mar	£107.40	+2.00	2101.65	2117.50	297.80
Cotton Outlook A Index	79.00c	+0.90	56.20c	87.10c	82.45c
Wool (84s Super)	460o		344p	4850	342p
Oil (Brent Blend)	\$17.175z	+0.445	\$14.46	\$18.61	\$13.16

ECONOMIC DIARY - FORWARD EVENTS

ers. Dr Ahmed Esmat Abdel Meguid, Arab League secretary general, addresses Chatham House on "The future of Arab integration". FT conference "

Chatham House

BASE METALS

Kerb close

AM Official

Kerb close

Total daily turnove

Open Int. Total dealy tumover

Open int. Total delily lum

Karb close

High/low AM Officia

Open int.
Total delily turnove

E COPPER, grade

TIN (5 per tonne)

■ NICKEL (\$ per tonne)

III LEAD & per torme

Open int. Total delily furnove

LONDON METAL EXCHANGE

1872-3

1883/1882

1882-3

255,451

58,901

3,004 484

668-9 672.5-3.5

44,531 3,250

7620-30 7615-25 7620

7820-5

65,896 10,675

6125-35

6110-20

23,240 2,316

1142.5-8.5 1155-6 1148.5/1147 1147.5-8.0

110,237 9,641

(5 per tonn

2857

Spot: 1.5633 3 Author: 1.5631 6 miths: 1.5820 9 miths: 1.5807

BENCHMARK GOVERNMENT BONDS

9.000 7.750 6.500 7.000 8.000 6.750

7.500 8.500 4.800 4.100 7.250 8.000

6.750 9.000 7.875 7.600 6.000

09/04 10/04 06/04 12/04 05/98 10/04 11/04 06/99 12/03 10/04 05/04 06/99 11/04

91.4400 96.7400 84.0500 89.5700 102.0600 92.1500 101.3300 81.5500 103.4510 96.5230 99.0200 82.3500

91-06 88-25 104-19 100-14 94-30 85.1900

E ZINC, special high grade (5 per torme

Open Int. 238,285
Total daily turnover 38,615
Base metals continued

LIME AM Official 2/\$ rate: 1.5835 LIME Closing 2/\$ rate: 1.5847

WORLD BOND PRICES

3 milha

1887-8

1948-9

1945/1875 1896.5-6.5

1873-5 1897-89 1900/1870

1873-5

684-5 690-91

692/683 685-6 683-4

7745-6 7740-45 7810/7730

7740-50

6205-10

6210-20 6256/6190 6193-5 6205-15

1189-70 1181-2 1184/1188 1174-5 1168-9

2827-8 2825-6 2852/2820

(Prices from Ameigamated Metal Tracking) M ALUMENTUM, 99.7 PURITY (\$ per tonne)

M ALUMINIUM ALLOY (\$ per torine

unchanged on the week.

Nickel was the only market

to resist yesterday's early

weakness, with commission

house buying enabling it to

ignore news of a sizeable rise

in LME stocks. An advance to

\$7.810 a tonne for three months

delivery proved unsupportable.

however, and the price ended at \$7,745.50, \$3 on the day and

At the London Commodity

Exchange the robusta coffee

market added substantially to

Continued liquidation of long

positions and an absence of

roaster buying combined to

push the January futures posi-

tion down by over \$200 a tonne

on Monday. Tuesday saw a ten-

tative rally but this was

snuffed out the following day

after Brazil revealed that is

coffee stocks stood at about

15m bags (60kg each), substantially higher than traders had

thought. The ensuing fall took

the price to \$2,870 a tonne.

\$1,260 below the 8%-year peak reached on September 21, when a prolonged drought in Brazil-

ian growing areas was adding

to crop worries caused by dam-

aging frosts in June and July.

The price bounced to \$2,987 a

tonne but that was still \$296

between producers and con-

sumers over which way prices go," commented Mr Lawrence

Eagles, analyst at GNI, the

London trade house. "The mar-

ket is awash with coffee now,

but it will be tight again next

In the meantime technical analysts are concentrating on

the market's downside poten-

tial. "It does have a bit of a

yawning chasm below it now,"

said Susan Rigg, of Chart Analysts, after Wednesday's

plunge. And Elli Gifford, of

Investment Research of Cam-

bridge, warned that, given the

pace of the decline in recent

days, it seemed "unlikely" that the coffee market would rally

Chart patterns suggest that unless the January futures

price can clamber back above

\$3,300 pretty quickly a fall to

Richard Moone

\$2,600 could be on the cards.

to reverse the downtrend.

"There is a significant battle

down on the week.

last week's heavy fall.

\$23 on the week.

**WEDNESDAY:** Economic trends (November). Monthly digest of statistics (November). US GDP (third quarter). European Parliament mini-session (to Dec 1). International Telematics Conference in Paris. Speakers include Mr Edouard Balladur and Mr Albert Gore. THURSDAY: Share register survey report (1993). Welsh

#### **COMMODITIES AND AGRICULTURE**

LONDON SPO		
M CRUIDE OIL FOB (per	perel/Jan)	+or-
Dubal Brent Blend (dated) Brent Blend (Jan) W.T.I. (1pm est)  B. OIL PRODUCTS NWE:	\$16.04-6.07z \$16.96-6.99 \$17.16-7.19	+0.03 -0.025 +0.025
OIL PHODOCIS MAC	Julipi Contact	W OWING
Premium Gescene Ges Oil Heavy Fuel Oll Naphthe Jet fuel	\$173-175 \$153-155 \$100-101 \$179-183 \$172-175	-2 +1
Diesel	\$159-160	-0.5
Petroleum Argus, Tel. London	(071) 359 8792	
other		
Gold (per troy ozjě	\$384.95	+0.45
Silver (per troy 02)	517.5c	+1.0
Platinum (per troy cz.) Połlacikum (per troy cz.)	\$410.50 \$154.15	+0.35
Copper (US prod.) Lead (US prod.) Tin (Kuela Lumpur) Tin (New York)	135.0c 40.75c 15.80r N/A	+0.11
Cattle (live weight)† Sheep (live weight)† Pigs (live weight)	119.59p 107.16p 82.02p	+0.21° +1.07° +4.40°
Lon. day sugar (raw) Lon. day sugar (wis) Tale & Lyle export	\$357.70 \$417.0 £343.0	+2.0 +2.0 +1.0
Barley (Eng. feed) Maize (US No3 Yellow) Wheat (US Dark North)	Unq. £132.0y £166.0y	
Rubber (Dec) P Rubber (Jan) P Rubber (KL RSS No1 Jul)	90.00p 89.50p 349.0m	+0.75 +0.25 +3.0
Coconut Oil (Phili)§ Palm Oil (Maley.)§ Copra (Phili)§ Soyebeans (US) Cotton Outlook'A' index Wooltops (64s Super)	\$716.0q \$735.0u \$464.0q £167.0 79.00c 460p	+5.0 +15.0 +10.0
E par tonne unless otherwise s r ringgiölig, m Malayelen cent Dec. z Jan. g Dec/Jan V Lo	stated p pencerity orig. y jan/Mer. v ndon Physical 9	o penta/ta. Now/Dec. u CIF Rotar-

dem. 4 Bullon markt Change on week C I ker close. & Sheep (Live we Prices are for previous di **ENERGY** 

17.14 92,692 15.97 37,277 16.85 15,648 16.82 5,927 17.25 17.07 16.94 16.87 16.85 17.16 +0.01 17.01 +0.03 17.01 16.92 16.84 16.81 +0.03 +0.06 +0.04 15,648 5,927 4,800 16.77 5,171 III GAS OIL PE SA . 152.75 151.50 31.605 . 155.25 154.00 24.822 . 158.75 155.75 15,704 +0.25 167.00 198.25 10,174 +0.25 155.25 155.25 3,457 . 944 95,410 154,75 156.25 157.06 155.25 154.50

ago

+0.150 9.04 +0.200 8.59 +0.000 7.31 +0.180 7.92 +0.020 7.31 -0.070 11.741 -0.080 8.91 -0.180 4.65 +0.170 7.38 -0.090 11.08 -4/32 8.29 -4/32 8.43 -5/32 8.43 +4/32 7.81 +10/32 7.94 +0.240 8.33

Treasury Bills and Bond Yields

\_\_ 5.51 \_\_ 5.53 \_\_ 5.43 \_\_ 5.98

**GRAINS AND OIL SEEDS** WHEAT LCE (E per tonne) Day's -0.30 105.00 105.00 105.20 1,559 1,658 130 84 788 107.10 -0.35 107.25 106.95 108.10 -0.35 109.20 108.95 110.90 -0.30 110.85 110.85 BARLEY LCE (2 per tones 104.25 -0.50 105.95 93.50 95.00 POTATOES LCE (E/tor 271.5 285.5 305.0 250.0 1.262 219 +12.6 E PRESCHT (SIFFEX) LCE (\$10/in 240 384 1,177 1,104 148 17 1910 1929 1835 1732 1505 1650 1935 1835 1735 1935 1824 1729 43 31 -17

PRECIOUS METALS

I LONDON BULLION MARKET 384,50-384.90 384.55

MEAT AND LIVESTOCK LONDON TRADED OPTIONS I LIVE CATTLE CME (40,000bs; curishin 1800 64.575 -0.206 64.775 64.200 5.726 62.825 -0.125 63.160 62.760 2.071 63.675 -0.225 63.706 68.300 84.6 1900 E COPPE Feb (Grade A) LME 156 185 216 ELIVE HOGS CIVE (40,000lbs; ou 31.890 +0.290 \$2.050 \$1.780 11.684 \$4.550 +0.290 \$4.676 \$4.490 12248 \$4.550 +0.250 \$5.675 \$3.490 \$2.485 \$4.290 -0.050 \$41.100 40.890 \$3.487 \$4.175 +0.125 \$12.200 \$0.925 \$75 \$32.900 +0.050 \$3.902 \$33.900 \$62 E COFFEE LCE 258 291 325 3050 III COCCOA LCE 38,160 +0.450 38,800 38,750 7,857 1,865 38,250 +0.425 38,750 38,000 1,278 200. 37,375 +0.425 38,200 37,300 462 38 38,300 +0.400 38,800 38,200 380 59, 38,300 +0.100 37,400 38,880 108 78 N BRENT CRUDE IPE 1600 Ang Feb Total

SOFTS

E COCOA LCE (E/lonne

Spices
Pepper
Europe
the US, the US, reports Man Producent. Scan reported a firmer local market, however. In the clover market demand from India and Singapor encouraged exporters from Madagescar crop, now it full swing, is expected to be straiter, largely sea result of last year's tomato. Nutriags and made prices remained generally stable.

Softs continued No7 PREMIUM RAW SUGAR LCE (cents/fbe)

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(LIFTE)\* Lina 200m 100ths of 100%

2.18 1.83 1.70

101.35

Sett price

100,76

CALLS

ECU (Franch Govt)

TODAY: African. Caribbean and Pacific (ACP) Council of Ministers meets in Brussels to debate mid-term revision of EU-ACP Lome Convention (to Financial reporting in the UK" Dec 2). East Africa summit in in London

TUESDAY: Mr Kenneth Clarke chancellor of the exchequer presents his budget for 1995/96. US consumer confidence (November). US House of Representatives votes on Gatt agreement. European Union energy council meets. Negotia-tions between Israel and PLO on elections in the West Bank and Gaza Strip are expected to resume. Mr Helmut Schmidt. former German chancellor, speaks on the role of Europe at

local government statistics (1994). US personal income (October); NAPM (November); construction spending (October). US Senate votes on Gatt accord. Nato foreign ministers meet in Brussels (to Dec 2). FT conference "Venture Forum

Europe '94" in London. FRIDAY: UK official reserves (November). US unemployment (November); leading indicators (October). Conference on Security and Co-operation in Europe (CSCE) Budapest review conference. Foreign ministers from the five-nation "contact group" trying to broker peace in former Yugoslavia meet in Brussels. General strike called in Italy.

BOND	FUTUE	YES AN	D OPT	IONS				
France E NOTE	e Mal Fren	CH BOND	PUTURES.	(MATE)				
	Open	Sett price	Change	High		,OW	Est. vol.	Open int.
Dec	112.58	112.52	+0.08	112.6	8 11	2.26	121,485	118,536
Mar	111.78	111.70	+0.08	111.8	4 11	1.48	7,911	38,113
Jun	110.86	110.80	+0.08	110.8	8 11	0.64	333	3,248
Germa	MY							
	NAL GERM	IAN BUND	FUTURES	(UFFE)*	DM250,	000 10	Othe of 10	0%
	Open	Sett price	Change	High		.OW	Est. voi	Open Int.
Dec	91.30	91.48	+0.18	81.81	91	.18	118102	140620
Mer	90.50	90.72	+0.24	90.80	90	1.40	17788	64142
Jun	89.85	89.97	+0.24	89,85	89	1.85	1	1
M BUND	FUTURES (	ортюна (	LIFFE) DNG	250,000 p	oints of	100%		
Strike		CA	118			_	PUTS —	
Price	Jan	Feb	Mar	Jen		Feb	Mer	Jun
9050	0.78	1.10			1.58	0.88		1.86
9100	0.52	0.85			0.80	1.13	1.31	2.13
<b>915</b> 0	0.33					1.42	1.50	244
Bat wat to	al, Calls 1340	77 Pubs 1190	1, Previous (	day's open	Int., Cal	le 1279	76 Puts 757	77
Spain a notio	NAL SPAN	ISH BOND	PUTURES	(METT)				
	Open	Sett price	Change	High	L	OW	Est. vol.	Open Int.
Dec	88.06	87.86	-0.03	88.10		.60	50,489	78,438
Mar	87.16	87.02	-0.28	87.19	87	.00	2,136	7,260

■ LONG CALT FUTURES OPTIONS (LIFPS) 250,000 64ths of 100% CALLS **PUTS** 2-52 3-24 4-01

EL ECU BOND FUTURES (MATTIF)

Hiich

82.20

Low

81.90

2,643

Sett price Change

71

82.10

+0.08

E NOTIONAL UK GILT PUTURES (LIFFE)\* 250,000 32nds of 100% Sett price Est, voi Open int. Change High Low -103-05 102-15 -0-04 -0-08 .102-27 102-04 88497 33950 US III US TREASURY BOND FUTURES (CET) \$100,000 \$2nds of 100% Low Est. vol. Open int. +0-06 +0-06 +0-07 99-03 98-16 97-30 96-18 97-29 97-13 328.067

-0.22 -0.18 -0.13

II ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LEFF) Line200m 100ths of 100%

0.67

701.42

2.45

Est, vol. Open int. 8,515

IN NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100% Est voi Open int. 10£78 106.83 107.96

GERMAN B

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FT-ACTUARIES FIXED INTEREST INDICES xd ad yield 9.83 11.49 10.87 13.47 10.93 Thur Nov 24 UK Gilts Price Indices 1 Up to 5 years (23) 2 5-15 years (23) 3 Over 15 years(8) 4 Irredemnables (6) 5 All stocks (80) 120.59 141.24 158.64 178.83 138.34 120,61 141,38 158,93 179,79 138,46 6 Up to 5 years (2) 7 Over 5 years (11) 8 All stocks (13) 218 215 3.05 1.11 2.32 5.07 4.36 4.41 129.20 -0.11 129.34 10.27 Nov 25 Nov 24 Yr ago Nov 25 Nov 24 Nov 25 Nov 24 Yr ago Low Low -5 yra 15 yrs 20 yra Irrad.† 8.55 8.70 8.63 8.51 8.67 8.59 Up to 5 yrs ower 5 yrs 9.47 9.45 7.55 10.07(20/9) 7.19 (10/1) 7.97 9.98 (20/9) 7.38 (20/1) 8.41 nde: Low: 0%-74,%; Medium: 8%-104,%; High: 11% and over. † Flat yield, yid Year to date FT FIXED INTEREST INDICES **GILT EDGED ACTIVITY INDICES** Nov 25 Nov 24 Nov 23 Nov 22 Nov 21 Yr ago High! Low! Nov 24 Nov 23 92.09 92.33 92.97 91.96 91.74 103.64 107.04 89.54 108.85 108.95 108.85 108.83 108.33 108.15 124.23 133.87 108.50 108.95 108.85 108.85 108.95 1 134.8 140.4 152.9 134.4 1450 · ... UK GILTS PRICES \_\_\_Yeki\_\_ \_\_\_1994\_\_ int \_\_Red \_Price £ + or = High \_\_ow

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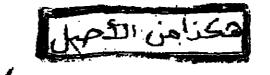
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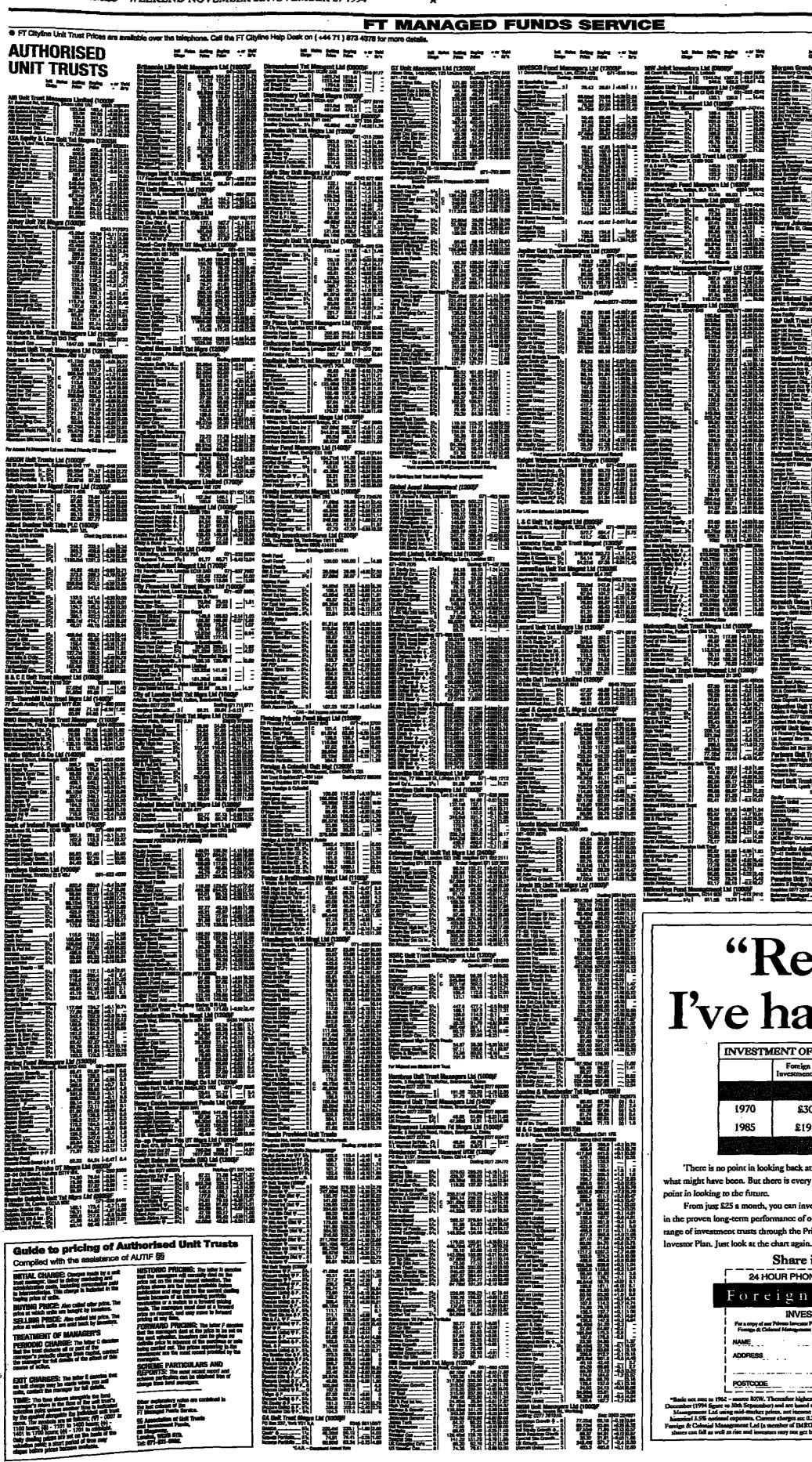
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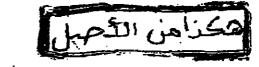
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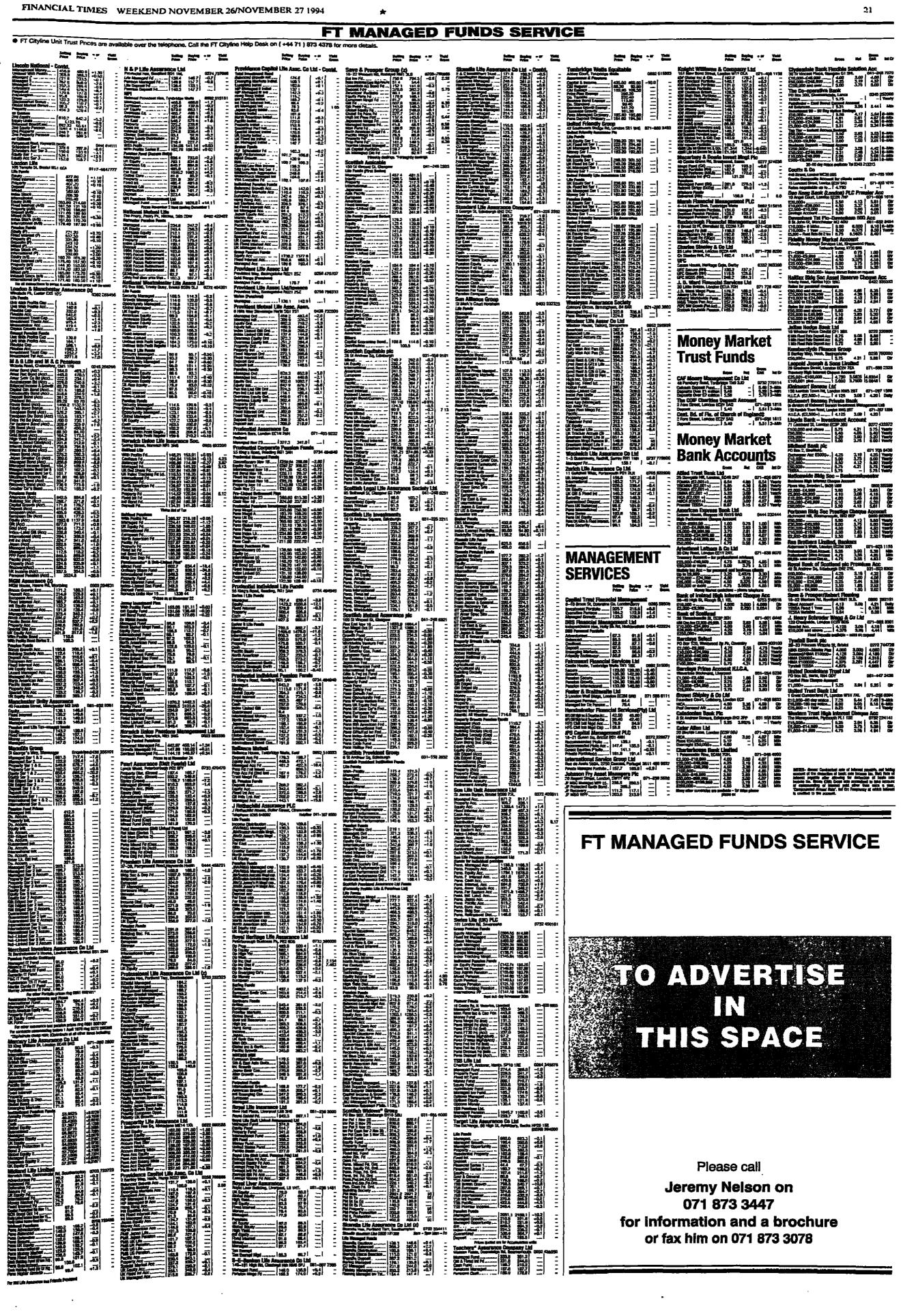
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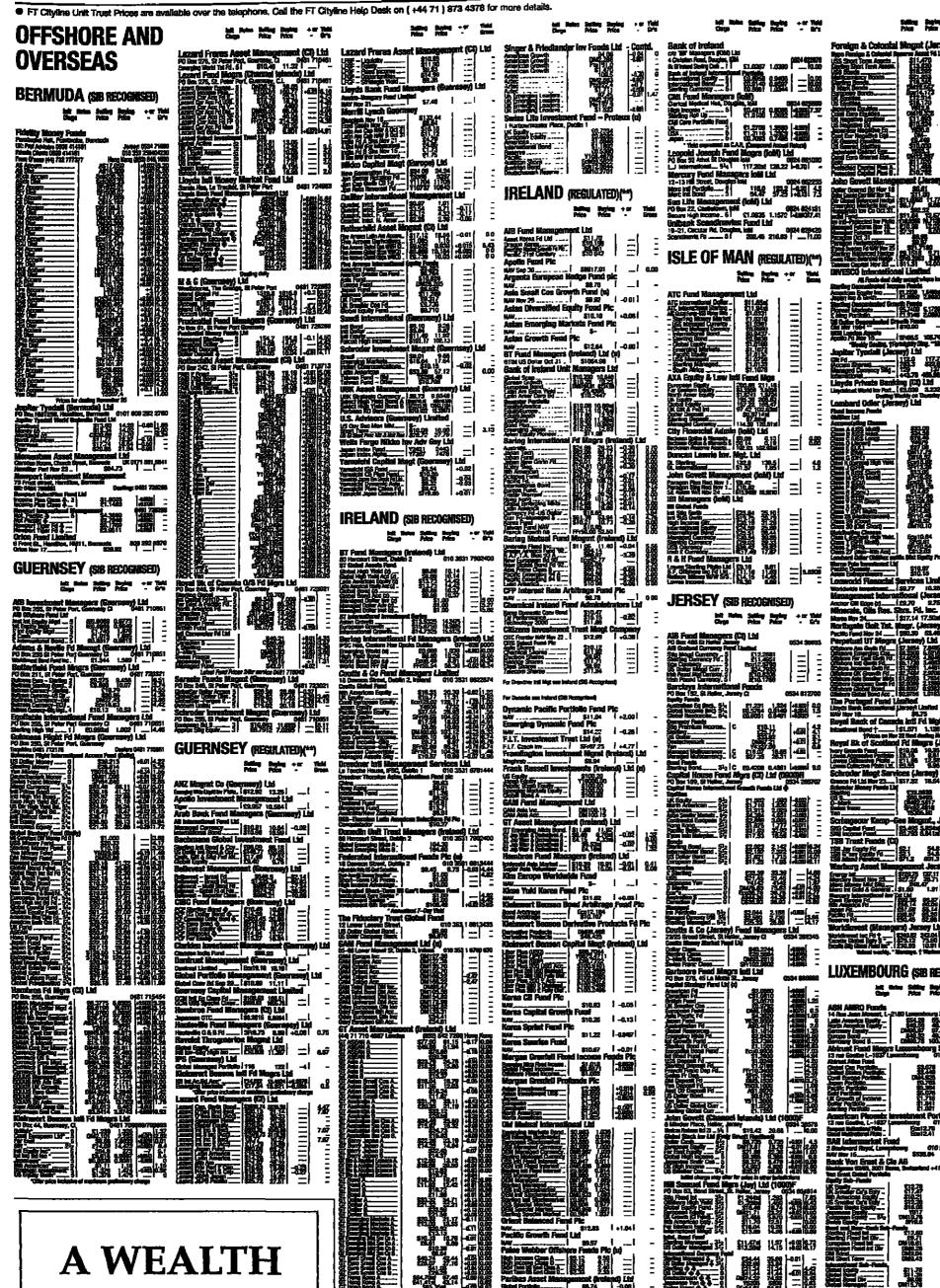
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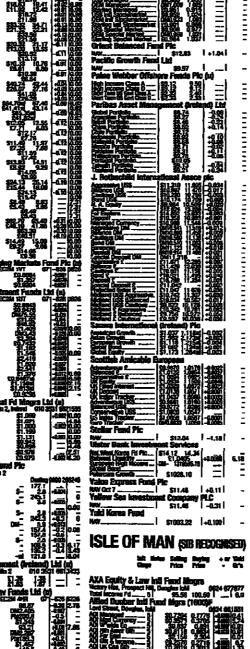
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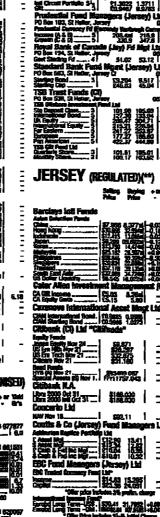


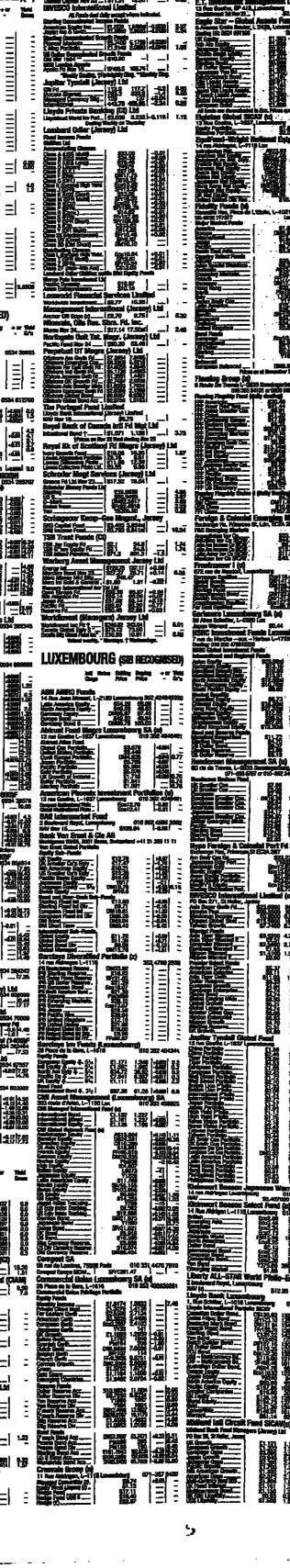




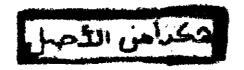
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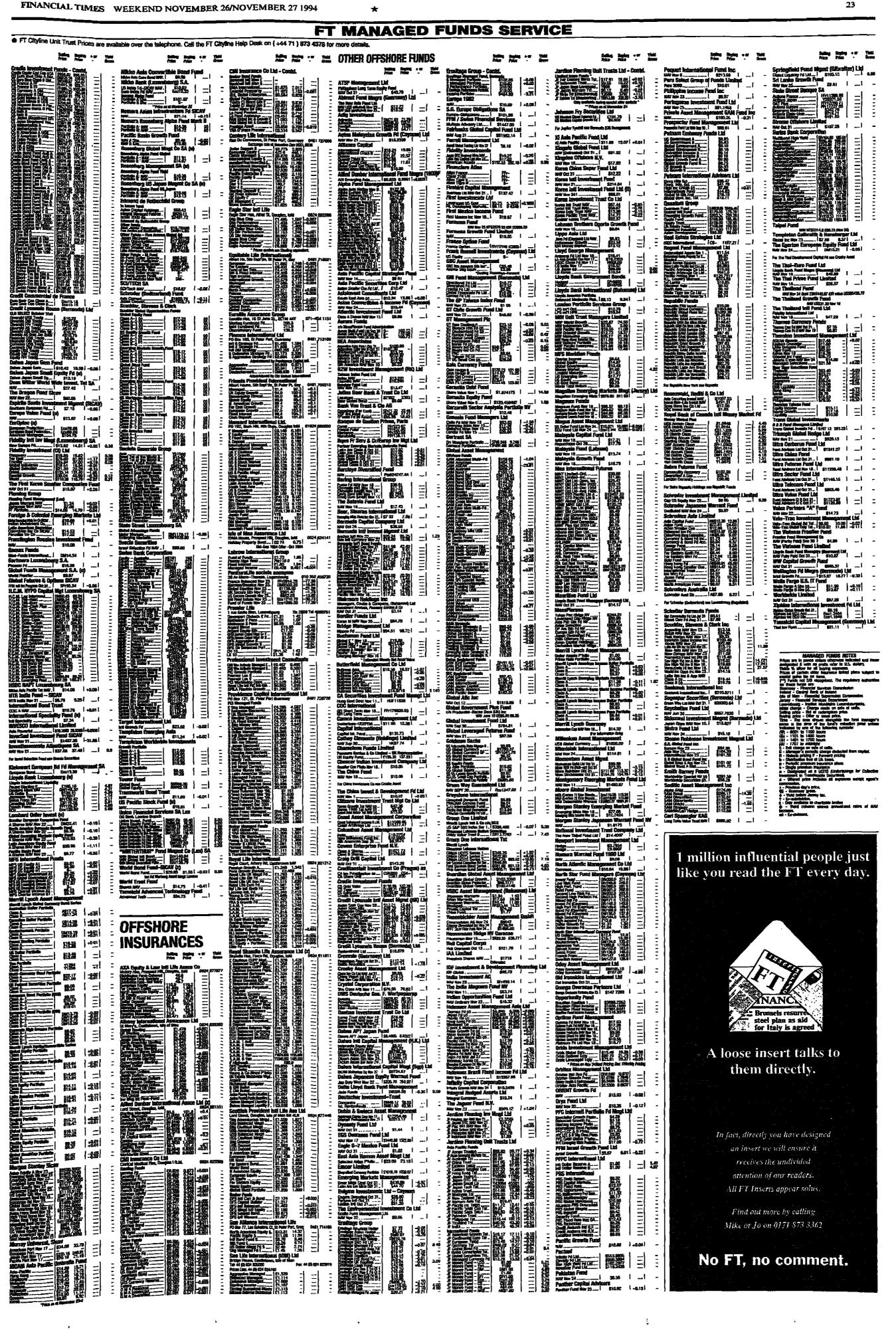




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#### LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be Details relate to those securities not included in the FT Share information

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talleman system, they are not in or scution but in ascending order which denotes the day's highest and lowest

those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given

Rule 4.2(a) stocks are not regulated by the international Stock Exchange of the United Kingdom and the Republic of Ireland Ltd. 

British Funds, etc. Treesury 13-1% Sak 2000/03 - 212312 12414

Corporation and County Stocks

Dudley Metropolitan Borough Council?% Ln Sik 2019 (Regije??) - 200<sup>1</sup>2 Kensington & Chelsea(Royal Borough)11,15% Red Sik 2006 - 2111<sup>1</sup>2 (23No94) Leads(City of) 13<sup>1</sup>2% Red Sik 2006 - 2124<sup>1</sup>4 (19No94)

etCity of) 11.5% Red Sitk 2007 -ET 15-2 (CIMON) lanchester Corp 1891 3% Red Sik 1941(or after) - 2301<sub>2</sub> (18No94) sarchester Corp 4% Cons Intl Sik - 2401<sub>2</sub> (18No94) allard (City of 7% Ln Six 2019(Reg) - \$80<sup>1</sup>2

**UK Public Boards** 

Port of London Authority 3% Part of London A Six 29/99 - 279 (18No94) Foreign Stocks, Bonds, etc-(coupons payable in London) bbey National Starting Capital PLC81:56 Subord Gtd 8ds 2004(Br2Vars) - £951:6

Subord Gtd Sds 2004(Br2Vars) - 29544 Abbey National Starling Capital PLC11<sup>1</sup>29 Subord Gtd Bds 2017 - 2115.63 .65 %

bbey National Treesury Serve P Gtd Nts 1996 (Br & Var) - £97 mai Tressury Serve PLC 734% Abbey National Treesury Serve PLC 8% Gld Bds 2003 (Br £ Var) - 592(§ 3 ½ Aada Finance Ld 10½% Chr Cep Bds 2005(8r £ 5000&100000) - £106½

Associated British Ports Hidgs PLC 107/4 Bds 2015(Br£100008100000) - £108(} (23N094)

9T Finance B.V. 6%% Gtd Bds 1995 (Er\$5000850000; -\$100,73 (23Ne94) strelays Bank, P.C. 6.5% Nts 2004(ErtVerl-cus) - DS3, 1/2 (23Ne94) strelays Bank P.C. 9% Perm in Bearing (capital Back) P.V. 19614 (23Ne94) strelays Bank PLC 9.875% Undated Subord

Berchays Berirk PLC 9.875% Undeted Subord Ns - 597% \$\phi\$ 80 Pts - 10% \$\phi\$ 805 2013 (81500018 10000) = 710% \$\prec{1}{8}\$ Base Carde Industries PLC 10% \$\prec{1}{8}\$ Brasilord 8. Bingley Building Society-Collared Rights Ns 2003(Reg Maiding Society-Collared Rights Ns 2003 (81° E Var) - 594 \$\phi\$ Brasilord 8. Bingley Building Society-Collared Fing Ris Ns 2003 (81° E Var) - 594 \$\phi\$ Bristol 8. West Building Society 10% \$\pmi\$ Subord Bids 2018 (81° E Var) - \$101\frac{1}{2}\$ 271NO94

21000,1000081000009 - £107% (21No94) ritish Gas PLC 816% Bds 2003 (Br £ Var) -Mish Gas PLC 8% % Bds 2008 (Br £ Var) -

o94) rramunications PLC Zero Cpn Bds 2000(BrE1000&10000) - 283 mmunications PLC 71=% Eds. 2003 (Br E Ver) - 589.6 (2)

Summin Castrol Capital(lersey) Ld 9½% Cnv Cap Bds 2008 (Reg 21000) - 2137.93 8 ½ .32 ½ 9 ½ CRH Capital Ld 5½% Cnv Cap Bds 2005(BrS5000) - \$121 Cable & Wireless Int Finance BV 8<sup>5</sup>8/6 Gtd Sds 2019(Br2 Vzz) - £91<sup>7</sup>8 (22No94) Daily Mail & General Trust PLC 8<sup>3</sup>8/8 Exch Bds 2005 (Br21000&5000) - £152

var) - 124-7 Depta Finance N.V. 7<sup>1</sup>g% Gtd Eds 2003 (Br £ Var) - 137<sup>2</sup>g <sup>1</sup>g Eastern Electricity PLC 8<sup>3</sup>g% Eds 2004(Br£ Varst - 095.05 (22N)

vara; - 1010.00 (2211094) f Enterprise Finance PLC 81,1% Ged Ench 18ds 2006 (Reg 25000) - 2102 Bi Enterprise Finance PLC 81/1% Gtd Exch Bds 2006[8/050008100000] - 197.95 81/ ar Eestern Department Stores Ld 3% Bds 2001(Reg integral muid \$1000) - \$91 \, (234094)

Ford Credit Europe PLC 85,96 Nts 1997(Br21000,10000,100000) - £1001<sub>8</sub> (23No94) Forte PLC 83/1% Bds 1897 (Br £5000) -

Forte PLC 8-1% Bots 1997 (at 15000) 298.42 (21No94)
GESS PLC 8.3676 Gad Sac Bds 2018
(B151000) - 29313 (22No94)
General Electric Credit Inti NV Zero Cpn Gld
Nts 1995(B161008.10000) - 388.3 (181694)
Gestrated Export Pinence Corp PLC 105-16
Gld Bds 2001 (B16Var) - 21073 (181694)
Glazaratied Export Pinence Corp PLC 363
Zero Cpn Bds 2000(B12100008.100000) 28034 (22Nd94)
Guinness PLC 73-16 Nts 1937 (B1 2 Var) 2973
Guinness Finence BV 996 Gad Nts

297°s Guinness Finance BV 9% Gad Nts 1998(Br\$1000810000) - \$101.71 (22No94) HSBC Holdings PLC 9½% Subord Bds 2018 (Br 2 Var) - \$29.895 Hallax Building Society 6½% Bds 2004 (Br\$1000,100000,100000) - \$227<sub>8</sub> 3½ ,165

(167004) Hanson PLC 8½% Cnv Subord 2006 (Br EVar) - £102½, (23No94) Highson Capital Ld 7% Cnv Cap Sds 2004

Hickson Capital Ld 7% Cnv Cap Sds 2004 (Regi - 130 (1814694) Hickson Capital Ld 7% Cnv Cap Sds 2004 (8:40000810000) - 2:0012 (1814694) Hydro-Quateo 6.95% Dobs Sera ik 1988789 £ Vera) - 291.39 (1814094) Imperis Chemical industries PLC 91% Bds 2006(8:21000210000) - 2:023 (1814094) Historisalional Bank for Rec & Dev 914% Bds 2007 (8:75000) - 2:025 (1814094) Historisalional Bank for Rec & Dev 914% Bds 2007 (8:75000) - 2:025 (1814094) Historisalional Bank for Rec & Dev 104 Bds 1999(8:10000100010) - 2:04.45 (224094) Historisalional Bank for Rec & Dev 104/9% Nts 1999 (8:75000 + 2:055 2, 224094) Ray(Republic of) 101/2% Bds 2014 (8:751000082000) - 2:07.978

| Hopen Development Bank 7% Gird Bds 2000 | Br E Var) - 5327s (23NoS4) | Hapan Fin Corp for Municipal Ent. 67;% Gird | Bds 2004(2121000 & 10000) - 28372 | 1234-1-00 22No94) Penice Flower Co Inc 7<sup>1</sup>e% Nts 1998

Kansai Sactric Power Co Inc 71-96 Nts 1988 (Er 2 Var) - 29614 (23No94) Land Securities PLC 91-96 Cnv Bds 2004 (9455000350000) - 2109 (22No94) Leads Permanent Building Society 71-96 Nts 1997(Er/2var) - 29715 (21No94) Leads Permanent Building Society 111-26 Nts 1988 (Br 25000310000) - 210-12 (22No94) Leads Permanent Building Society Collared Plagfits/Nts 2003(Pag Multic1000) - 235 98 (18No94)

| Taylor | T

National & Provincial Bidg Society 10<sup>3</sup>4% Subord Bds 2006/11 - \$105(2) National Westminster Bank PLC 11<sup>3</sup>2% Und-SubNts £1000(Cm/ to PrijReg - £102<sup>1</sup>4 etional Westminster Benk PLC 11<sup>1</sup>2% Undgeona westmasse Sank PLC 11/2% Unit-Subhits 21000Cm to Prige - £102 % ationwide Building Society 61/3% Nto 1999(942 Vars) - £989 ½ (poon Telegraph and Telephone Corp107/3% 8ds 2001 (8r £1000810000) - £108 %

(221039) Namez (Bagdom al) 8.375% Nts 2003 (Br SC Var) - \$C82% (21Na84) Osaka Gat Co Ld 8.125% Bda 2003 (Br C Sen PLC 87/8% Bids 2003 (Br \$10000&100000) - \$973, (22No94) RMC Geolad Ld 83,5% Cav Cap Bds 2006 (9r

25000850009

tank Organisation PLC 83/96 box

var) - 2554 (234084)

Redand Sterling Funding PLC 107/96 Gtd

Bds 2001 (Br 24/91) - 2107/1/2 .65

Rothschilds Continuation Fin(C.0L09% Perp

Subord Gtd Nts (Br24/94/104) - 250/9

- Renk of Scotland PLC 65/96 Bds

cesta (2344084) 00) - 2129 ation PLC 8<sup>3</sup>5% Bds 2000 (8r £

Subord Git Mis (BrCVerious) - 200<sup>1</sup>g Royal Bank of Scotland PLC 6<sup>2</sup>g<sup>4</sup> Bds 2004(BrVvar) - 233<sup>2</sup>g (23No99) Royal Bank of Scotland PLC 91<sup>3</sup>6 Undebted Subord Bdn (Br C Var) - 233.71 (23No99) Royal Bank of Scotland PLC 10.6<sup>3</sup>6 Subord Bdn 2013 (Br C Var) - 2104<sup>3</sup>g (21No99) Royal Bank of Scotland PLC 10<sup>3</sup>g<sup>4</sup>8 Subord Bds 1998 (Br25000825000) - 2104<sup>1</sup>g (21No99) (21No94) Sincere Navigation Corporation 3.75% Sds 2003 (Br \$100008100000) - \$1021<sub>2</sub>

(18No94) mithiane Beecham Cepital PLC 73,94 Gtd Nts 1998 (Br 2 Var) - \$96 No 1996 (Br £ Var) - 096% (21No54)
Swithfidder Bescham Capital PLC 54% Gid
Nin 1998 (Br £ Var) - 097% (18No54)
Sociate Generale 7.675% Parp Subord No.
Siz £ Var) - 296% (18No54)
Sizte Bank of New South Wales Ld 7% Ede
1999 (Br \$A Var) - \$A881 (22No54)
Sig Group PLC 12% Subord 8ds 2011 (Br
£ 100008100000) - £117½ (22No54)

C1000081000001 - C117½ c22NoS4 Tambac Financo (Jarsey) Ld 8½5 CnV Cap 8de 2006 (Fig 21000) - 588 ½ .55 ¾ Tale & Int Finance P.L. 69% Cat Bids 1998(5:2100008100000) - 588¾ Taballyle IntSTP PLCT Finallyle PLC 5¾% YallnFin Tesco Capital Ld 9% Criv Cap 8ds 2005(Flog 27) - 216 4 12 3 Thernes Water PLC 9/2% Criv@ubcrd8ds 2005(BY590085000) - 2122 (22No94) 3 Group PLC 10/4% Ght 9ds 2001(BY51000810000) - 21071g (23No94)

reasury Corporation of Victoria 81496 Gtd Bds 2003 (Br & Var) - £961<sub>2</sub> (22No64) U-Ming Marine Transport Corporation: Bds 2001(Reg in Mult \$1000) - \$101

(Handsky) Warbung S.G.) Group PLC 9% Perp Subord Nts (PapNtsBrQ - 283%) Walkume PLC 94% 8ds 2008(8-21008-10009) - £101.78 (18No84)

Heish Water Utations France PLC 75% Gtd Bds 2014(Br2Var)(P/P) - 210<sup>1</sup>s (23NoS4) tuen Foong Yu Paper Mig Co Ld 2% Corpo-rate Bds 1999(Br\$10000) - \$118.95 Export Development Corp \$C300m 7% Debt Instrument 25/3/98 - \$C95,10

MAC Australia (Finance) Ld \$A50m 7.25% Nts 16/11/38 - \$A66 90 (18/694) andeskredithank Baden-Wurtemberg \$200m 7% Nts 3/11/97 - \$981<sub>8</sub> 98.45 (22No94) lew South Wales Treesury Corp \$43.4m 12% Global Bds 1/12/2001 - \$4108.197 Sweden(Angelom of) £800m 7<sup>1</sup>2% Nts 3/12/ 67 - 537<sup>1</sup>3 (23No94) 97 - 1971∰ (23No94) Swedenföngdom of 1250m 7% Instruments 25/12/95 - 194 % (21No94) Swedenföngdom of 1350m 75 % Eds 28/7/ 2000 - 134.405 (23No94)

Sterling Issues by Overseas Borrowers

Asian Development Bank 104% Ln Stk 2009(Reg) - 2112<sup>1</sup>a (23No94) Benk of Greece 10<sup>2</sup>k% Ln Stk 2010(Reg) -298 (21No94) ent Bank 9% Ln Stk 2001 (Flog) - 2101½ European Investment Bank 9% Ln Stk 2001 (gr25000) - 2101½ (21)kg94) European Investment Benk 9½% Ln Stk

Jugiand 121275 t.11 cm. cm.cop.mg. (23No84) New Zealand 1114% Sik 2008(Reg) - 211714 New Zealand 1112% Sik 2014(Br) - 2121 (21No84) Six Section Research of 1114 Vi Ln Sik 2019 ia[Province of) 114% Ln Sik 2019 - £122**4** 

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- 1 Sweden(Gagdom of) 8<sup>3</sup>4% Ln Stit 2014(Reg) - £103(3 (22)664)

ranscanada Pipalines Ld 16<sup>1</sup>2% 1st Mag Pipe Line Bds 2007 - £147<sup>1</sup>s (23No84) Listed Companies(excluding investment Trusts)

ASF investments PLC 5<sup>1</sup>2% Uns Ln Sik 87/ 2002 50p - 38<sup>1</sup>2 <sup>1</sup>4 ABF investments PLC 7<sup>1</sup>2% Uns Ln Sik 87/ 2002 909 - 39'2 %
ABF investments PLC 712% Uns Ln Stk 87/
2002 90p - 4412
APV PLC 5.22% Cam Pri 21 - 65 (21No94)
ASH Capital Phancel-lessylful 912% Cnv
Cap 8ds 2008 (Pleg Units 100p) - 271
Aberdsen Trust PLC A Wits to Sub for Ord -

rust Alles Fund Shs of NPV(Starting Portfeligi - £1,018 (22NoBq)
Albert Fisher Group PLC ADR (10:1) - \$6.08
(23NoBq)
Alexander & Alexander Services in a Sha of
Class C Com Sik \$1 - £115,
Alexanders Heige PLC "A" (19st NOrd 10p 15 (22NoBq) ar Group PLC ADR (10:1) - \$6.08

15 (22No94)
Alexanders Hidgs PLC 9<sup>1</sup>2% Cum Prf £1 81<sup>1</sup>2 (22No94)
Alexan Group PLC 8.25p (No9 Cnv Cum Red
Prf 10p - 54 (22No94)
Alliad Domscq PLC ADR (1:1) - \$8.94 8.98
\$1. (22No94)
Alliad Domscq PLC 7<sup>1</sup>2% Cum Prf £1 - 78
(23No94)

Alliad Domacc PLC 712% Cum Prf S1 - 78 (23No94)
Alliad Domacc PLC 84,% Lins Ln Sik - 283 Alliad Domacc PLC 74,% Lins Ln Sik s3/98 - 255 (23No94)
Alliad London Properlina PLC 103,% 1st Mig Deb Sik 2025 - 2103,45 (18No94)
Alliad-Lyons Fitsmolet Services PLCS4,% (3stCnn94).bon Sik s2008 Fegala.ietC1000 - 21084; 7 (23No94)
American Brands Inc She of Com Sik \$3.125 - 534 (23No94)

E108½ 7 (23No94)
American Brands Inc She of Com Sitk \$3.125
- \$34 (23No94)
Andrews Sylass Group PLC Criv Pri 50p - 48
Anglan Water PLC 5½ % Index-Linked LinStic
2008£257946) - 2:31½ (21No94)
Anglo-Eastern Plantetions PLC Warrants to
sub for Ord - 40 (22No94)
Anglo-Eastern Plantetions PLC 12½ % Uns
Lin Sitk 5959 - 2:100 (23No94)
Anglo-Eastern Plantetions PLC 12½ % Uns
Lin Sitk 5959 - 2:100 (23No94)
Anglovest Ld N Ord R0.0001 - \$31½ 32
(22No94)
Attwoods PLC ADR (5:1) - \$874¢
Attwoods (Plc ADR (5:1) - \$874¢
Attwoods (Finance) NV 8½p Ghd Red Criv Pri
5p - 91
Automated Security(Hidge) PLC 6% Criv Curr

utomated Security(Hidgs) PLC 8% Cav Cum Red Pri 21 - 44

#### FT-SE ACTUARIES INDICES

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Avdel PLC 1012% Uns Ln Stk 96/98 - £100 (23No94) 861 (4:1) - \$8<sup>1</sup>10 86 Pt C ADR (4:1) - \$8<sup>1</sup>10 86 Pt C ADR (4:1) - \$8<sup>1</sup>10 C ADR (4:1) - \$11.08 BCC Group PLC ADR (1:1) - \$11.08 BCC Group PLC 28 6 Cum 2nd Pt £1 - 40

BOC Group PLG 3.5% Cum 2nd Prt £1 - 52 (23No84) BOC Group PLC 12<sup>1</sup>4% Uns En Sik 2012/17 lastro inc She of Com Sitk \$0.50 -\$30.42340

Hasternere Estates PLC 101/s/9 1st Mtg Deb 3th 98/2003 - £1021/s (23No84) Hornes Protection Group Inc Sts of Com Sts. \$0.25 - 25 BTR PLC ADR (4:1) - \$18.17 (23No94) optom Hidges Ld 8 4% Unis Ln Stik 2002/07 Bampton Hodgs La 84/9- Uris Lif Six 2022/07 - (23)<sup>1</sup>/<sub>2</sub> 54 (23)094)
Bark of heland(Governor & Co of) Lints NCP Six Srs A C1 & C3 Liquidation - C11<sup>1</sup>/<sub>4</sub> (18)\094)
Bark of ireland(Governor & Co of) Lints NCP Six SrsA irC1&irC3 Liquidation - IC11<sup>1</sup>/<sub>2</sub> cassed of the control of the control

Banner Homes Group PLC Ord 10p - 1050 Barclays PLC ADR (4:1) - \$36.9\$ 7 st Barclays Bunk PLC 12% Uns Cap Ln Sik 2010 - £116 ½ 7 Sarcieys Bank PLC 18% Uns Cap Ln Sik 2002/07 - £135 (21No94) Bardon Group PLC 7.25p (Net) Cnv Red Pri Berdon Group PLC 11.25p Cum Red Prf 2005 10p · 98 ½ (21No94) Barings PLC 8% Cum 2nd Pri 21 - 88%

Barings PLC 94% Non-Cum Pri CI - 1155gt Barnato Europation Ld Ord R0.01 - 210.25 Barnato Exploration Ld Ord R0.01 - 210 30 Bass PLC ADR (21) - \$16.8244\$ 5.0 Bass PLC 74,44 Uns Ln Stk 92/97 d-y AS "B" Non Vig Sha NK2.5 -

NK150.20 Birmingham Midshins Building Soc 9<sup>1</sup>/<sub>4</sub> ½ Perm Int Bearing She 21000 - 227 ½ ½ Perm Int Bearing She 21000 - 227 ½ ½ Boots Co PLC ADR (2:1) - \$17 (22No94) Boothorpe PLC 7% Uns Ln Sik 90/85 - 298 (1886-64) (198694)
Readiord & Bingley Building Society 11596
Perm Int Bearing She 110000 - 111012 1
Bradford & Bingley Building Society 13%
Perm Int Bearing She 110000 - 112214, 312
Brent Walker Group PLC Was to Sub to Sub

- D/2 Brent Waller Group PLC 8.5% 3rd Non-Cur Criv Red 2007/10 \$1 - 112 Bridon PLC 101-% Deb Stk 91/96 - 29912 (21N:94) (21No94) Bristol Water PLC 81/1% Cum lind Pri £1 -105 ½ (21No94) Bristol Water Hidgs PLC Ord £1 - £10.07 Bristol & West Building Society 131/2% Pen

bristo & West Building Society 13-15 Perm Int Bearing Sha \$1000 - \$122 \frac{1}{4} 4\frac{1}{2} Britannia Building Society 13-16 Perm Int Bearing Sha \$1000 - \$118.85\$ .3\$ British Airways PLC ADR (101) - \$55 \frac{1}{6} \frac{1}{6} British-American Tobarcco Co Ld 5% Cum Prf Sit £1 - 63 (£31\ko64) British-American Tobarcco Co Ld 6% 2nd Cum Prf Sit £1 - 84 (18No94) British Land Co PLC 101<sub>2</sub>% Ofd 1st Mtg Deb Sit 2019/24 - £110 British Petroleum Co PLC 8% Cum 1st Prf £1

- 79¢ - 78¢ Hitsh Petroleum Co PLC 9% Cum 2nd Pri 2.1 - 80 (227084) British Steel PLC ADR (10:1) - \$24<sup>1</sup>g <sup>1</sup>2 British Steel PLC 11<sup>1</sup>2% Deb Stk 2016 -E118<sup>1</sup>, (22No94)
British Suger PLC 10<sup>1</sup>,% Red Deb Stk 2013
- 9114.8125 []
British PLC 950% 1st Mitg Deb Stk 2028 - £101<sup>1</sup>,
British E184 PLC 950% 1st Mitg Deb Stk 2028 - £101<sup>1</sup>,
Budgin(A.F.) & Co PLC Ord Ste 5p - 63 (23No94)

yc.n4034) umar(H.P.)Hidgs PLC 8-14% 2nd Cum Prf £1 - 98<sup>1</sup>2 17 - 190-2 mz) PLC 7% Cnw Uns Ln Stk 95/97 - 198 8 armsh Cestrol PLC 6% Cum 2nd Pri 11 -60 (18No94) ummeh Castrol PLC 7<sup>1</sup>4% Cum Red Pri C1 -NO PLC 8% Cay Lins La Stk. 1996/

2001 - 283
Butte Mining PLC 10% (Net) Cirv Curn Red
Pri 1994 10p - 2½, ½ (18R694)
Cellonia Energy Co Inc She of Corn Sit
\$0.0675 - £10.002679 (22N694)
Cambridge Water Co Corns Ord Sit - 26500
(18N694)
Carchial & Control (18No94) Capital & Counties PLC 54,% 1et Mitg Deb Sts 93/98 - 592 (23No94) Capital & Counties PLC 95/% 1et Mitg Deb Sts 2027 - 21044, (23No94) Capitan Communications PLC ADR (2:1) -

Carton Communica \$274, (23No94) 32/4 (23N0H4) Carton Communications PLC 7<sup>1</sup>2% Cnv Subord Bds 2007(Reg £5000) - £134 <sup>1</sup>2 (23No94) Cater Alien Gilt Income Fd Ld Ptg Red Prf 1p - esra (1814084)
Catarpillar ino Sita of Com Sit \$1 - \$51-\$\phi\$
2\phi \( \frac{1}{2} \phi \phi \phi \phi \)
Catary International Hidge PLC 10\( \frac{1}{2} \pm \)
Catary International Hidge PLC 10\( \frac{1}{2} \pm \)
Catarbook Alignone Hidge Ld 7\( \frac{1}{2} \pm \)
Citarbook Gip - 33

em & Gloucester Build Soc 114% (22No94) layfilthe PLC 9.5% Subord Criv Una Lii Sik 2000/01 - 690 5 (21No94) Coastal Corporation Shs of Com Stk \$0.33 1/ 3 - \$261, [21No94] Coats Patons PLC 41/2% Uns Ln Stk 2002/07

Costs Patons PLC 6%% Uns Ln Stk 2002/07 Coats Viyella PLC 4.9% Cum Pri E1 - 51 Cotten(A.) & Co PLC Non.V "A" Ord 20p -485 DUD (22/05/4)
Gommercial Union PLC 8½% Cum lind Pri
£1 - 98½, 8½,
Commercial Union PLC 8½% Cum lind Pri
£1 - 100½, ½, 1
Co-Operative Benk PLC 9.25% Non-Cum lind
Dof the - not benk PLC 9.25% Non-Cum lind
Dof the - not benk PLC 9.25% Non-Cum lind

PHT 21 - 105
Cookson Group PLG 4.9% Cum PHT 21 - 68
711; (23Nos4)
Courtaids PLG 6% Cum Red 2nd PHT 21 - 58 (18Nos4)
Courtaids PLG 6½% Une Ln 8% 84/96 - 296
Coventry Building Society 12½% Parm Indian

SD6
Coventry Building Society 12½% Perm Interest Bearing Stris £1000 - £15½
Daily Mail & General Trust PLC Ord 50p - £15.1 13½ 273.1 134 ledgety PLC 4.85% Cum Prf £1 - 68 Jeberhams PLC 74% 2nd Deb Stk 81/66 -536 (23No64) Jeberhams PLC 74% Uns Ln Stk 2002/07 -Debenhams 283-4 4

Debenhams PLE 7 4/10 Uns Lin Six Advance - 2834 4

Debenhams PLC 74/16 Uns Lin Six 2002/07 - 287 (22No94)

Denotora PLC 6.28% Cum Criv Red Prif E1 - 106 7 (23No94)

Desiturs PLC Ord 10p - 97 (21No94)

Dominion Energy PLC Ord 5p - 11 (18No94)

SMAP PLC 5% Cum Pri E1 - 53 (22No94)

Edipse Blinds PLC Ord 5p - 81/2 1/3

B Ore Mining&Exploration Co PLC Ord 10p - 200 (2010-2010)

Bys/Winsbiedon) PLC Ord 25p - \$4,8 (22No94) Emess PLC 8.25p(Not) Cnv Cum Red Pri 5p

211(184)
First Chicago Corp Corn Sot \$5 - 228½
(220494)
First Chicago Corp Corn Sot \$5 - 228½
(220494)
First National Finance Corp FLC 7% Corn
Curn Red Fri \$1 - 119 21 (230499)
Fisona PLC 57½% Uns Ln Six 2004/09 - 272
(230494)
Fistora Challenge Ld Ord \$N0.50 \$15,3096 (230494)
Foliosa Group PLC Ord \$p - 42
Forte PLC 9.1% Uns Ln Six 95/2000 - 297½
GNO PLC ADR (1:1) - \$10½ 10.18 (180494)
GN Great Nordic Ld Sha DK100 - DK545.35
(2304094)
GT. Chile Growth Fund Ld Ord \$0.01 -G.T. Chile Growth Fund Ld Ord \$0.01 -231 40 31 40

General Accident PLC 7%% Cum Ind Prf £1 - 83% General Accident PLC 87/1% Qum Ind Pri S1 neral Sectric Co PLC ADR (1:1) - \$4.45 senser Hidgs PLC Ord Cap 25p - 115

23No94)
Gibbs & Dandy PLC Ord 10p - 90
Gibbs & Dandy PLC Ord 10p - 90
Gibbs & Ordup Ld 63,% Lins Ln Stk 85/95 50p
- 4914, (21No94)
Gibbs Group Ld 734,% Une La Stk 85/95 50p
- 499
Giymred International PLC 734% Cum Prf £1
- 67 (22No84)
Giymred International PLC 1034% Use Ln Stk
94/99 - £100
Goode Durrant PLC 3.5% Cum Prf 50p - 25
8

6 Goodwin PLC Ord 10p - 36 (18No94) Grand Metropolitan PLC 5% Cum Prf 21 - 51 (22No94) Greenate Group PLC 8% Cum Prf 21 - 97 Greenate Group PLC 11<sup>1</sup>2% Deb Sik 2014 -Greenalis Group PLC 11½% Deb Six 2014 -1204 Greenalis Group PLC 7% Cnv Subord Bds 2003 (Peg) - £102½ 3 2 ½ Guinness PLC ADR (5:1) - \$34.45¢ Guinness Flight Global Stategy Fd Ptg Red PV \$0.01(Global Bond Furs) - £21.42788¢ Guinness Flight Intl Acc Fund Ld Ptg Red Pvf \$0.01(Goutschemark Money Fd) -10401 Apr 12384098 DARS1.048 (23%094) HSBC Hodge PLC 11.89% Subord Bds 2002 (Br EVer) - £110<sup>3</sup>2\$

Hairtas Building Socrety 8<sup>3</sup>4.% Perm Int Bear-ing Ste (\$0000 - £85<sup>1</sup>4 (22No94) Hairtas Building Society 12% Perm Int Bear-

on PLC Out 25p - 324 2 5 6 6 30 1 Hardys & Hansons PLC Ord 5p - 242 Harteposis Water Co Ord Stk - £1750 850

Hopkinsons Group PLC 5.25% Cum Prf £1 lousing Finance Corporation Ld 1112% Deb Stk 2016 - £1134 g (22No94)

typo Foreign&ColFleserve Asset Fd LdPtgRedPtf \$0.05 (DM Bonds) -DM12.434 (18No94) IMI PLC 512% Una La Sik 2001/06 - 669 yan Fund NV Ord FLO.01 - \$16%. 17.2 17<sup>1</sup>s 17<sup>2</sup>s (22No94) eland Group PLC Criv Cum Red Pri 20p

142 3 Inti Stock Exchange of UK&Rep of IrLd 714% Mg Deb 3tk 90/85 - 53814 (23No94) Irlsh Life PLC Ord 1/20.10 - 1.84 1.85 p 182 7 ardine Matheson Hidgs Ld Ord \$0.25 (Hong Kong Register) - \$4.55 \$H54.025942 .274915 <sup>1</sup>2 .570861 .63296

Jardine Strategic Hidgs Ld Ord 90.05 (Ber-muda Register) - 91-27 (18N-99) Jardine Strategic Hidgs Ld Ord 90.05 (Hong Kong Register) - \$1-23.85 4.027138 .1001 son & Pirth Brown PLC 11 05% Cum Pri £1 - 85 8 (23No94) nu - eo o (2,34074) chrison Group Cleaners PLC 7,5p (Net) Criv Cum Red PH 10p - 125 6 (23No94) chrison Group Cleaners PLC 9% Cum PH

80 (23No94) on Group PLC 10% Curn Prit1 - 95 5 7012 1 12 2 28 14 3 4 activities Group PLC ADR (1:1) - \$2.52 2.53 2 55 (23No94)
Land Securities PLC 614 % 1st Mag Deb Sth
(3/98 - 582 (18No94)
Land Securities PLC 9% 1st Mag Deb Stx 96/
2001 - £10014 (22No94)
LASMO PLC 1015/4 Deb Stx 2009 - £104140
Lebows Plathrum Mines Ld Ord R0.01 - 78

(22No94)
Leeds & Holbeck Building Society 13 % No Parm Int Bearing She £1000 - £123 ½ ¼
Leeds Permanent Building Society 13 % Perm Int Bearing £50000 - £128 % Lewis John Partnership PLC 5% Cum Pri Stk

(18No94) London International Group PLC ADR (5.1) -\$6.52 (18No94) London Securities PLC Ord 1p - 2<sup>1</sup>4 <sup>1</sup>2 <sup>1</sup>2

Lontho PLC ADR (1:1) - \$2.4 Lookers PLC 8% City Curn Red Pri \$1 -107<sup>1</sup>4, (22%694) MEPC PLC 9<sup>1</sup>4<sup>1</sup>4, 1st Mig Deb Stk 97/2002 -19912 (18No94) MEPC PLC 1014 % 1st Mtg Deb Stk 2024 -MEPC PLC 8% Uns Ln Stk 2000/05 - 592 McCarthy & Stone PLC 8.75% Cum Red Pri McCarthy & Stone PLC 7% Chy Uns Ln Stk

2003 E1 - 89 91

McCartry 3 Stone PLC 7% Crw Uns Ln Stk
99/04 - 958 (22No94)

McInemey Proporties PLC "A" Ord Int01.10 100.055 (22No94)

McIcky Securities PLC Cap 20p - 168

Mandarh Oriental international Ld Ord \$0.05

(Bermuda Reg) - \$180.05 (23No94)

Mandarh Oriental International Ld Ord \$0.05

(Hong Kong Reg) - 90.725

Marks 8 Spencer PLC ADR (6:1) - 225.2126

(21No94)

Medicas PLC ADR (4:1) - \$101<sub>2</sub>¢

Merchast Retail Group PLC 83, % Crw Uns

Ln Stk 99/04 - 658 (23No94)

Mercury International the Trust Ld Ptg Red

Pri 1p (Reserve Fund) - 250.4861 (23No94)

Mercury International the Trust Ld Ptg Red

Pri 1p (Reserve Fund) - 250.4861 (23No94)

Mercury International the Trust Ld Ptg Red

Pri 1p (Reserve Fund) - 250.4861 (23No94)

Mercury Doclas & Harbour Co 67,5% Red Deb
Stk 94/37 - 234 (22No94)

Mercury Doclas & Harbour Co 37,5% Int Deb
Stk 94/39 - 637/2 (22No94)

Managura Copper Mines Ld Ord \$6,521 - 3

SNo94) rogr Mines Ld Ord Sijk \$21 - 3 Mid Kent Holdings PLC Warrants to sub for

Midland Bank PLC 14% Subord Uns Ln Sik NEC Finance PLC 1353% Deb Stk 2016 -단42] 후 경수 NFC PLC 73% Cav Bds 2007(Reg) - 592 Motional Medical Enterprises inc Shs of Co Six 50.05 - \$144 (23No94) ational Power PLC ADR (10:1) - \$79.34

National Westminster Bank PLC Non-Cum Pri Ser A \$25 - \$255, (18No9-) National Westminster Bank PLC 95 Non-Cum Stig Pri Sers "A" £1 - 1041<sub>2</sub> 5, 3, National Westminster Bank PLC 12<sup>1</sup>2/6 Subord Une Ln Stk 2004 - £1187<sub>4</sub>6 Newcestle Building Society 12<sup>5</sup>3/5 Perm Interest Bearing She £1000 - £1153<sub>6</sub> (23No90)

Interest Bearing She £1000 - £115½
[23No94]
Neses International PLC 4.9% (Fmby 796) 1st
Curn Prf £1 - 57½
Neses International PLC 9% 2nd Curn Prf £1
- 70 (22No94)
Northern Foods PLC 6-3% Cnv Subord Bds
2008 (Fag) - £37½
22No94)
Northern Foods PLC 6-3% Cnv Subord Bds
2008 (Fag) - £37½
22No94)
Northern Foods PLC 6-3% Cnv Subord Bds
2008 (Fag) - £37½
22No94)
Northern Foods PLC 6-3% Cnv Subord Bds
2008 (Fag) - £37½
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Northern Foods PLC 6-3% Cnv Subord Bds
2008 (Fag) - £37½
22No94)
Northern Foods PLC 6-3% Cnv Subord Bds
2008 (Fag) - £37½
Northern Foods PLC 6-3% Cnv Subord
Rds
2008 (Fag) - £37½
Northern Foods PLC 6-3%
23No94)
Partitle Sessentition PLC Was to sub for Ord 17 (23No94)
Partitle Sessentition PLC Ord 25p - 160
Peet Hdigs PLC 10% Curn Pri 50p - 52
(22No94)
Peet Hdigs PLC 10% Curn Pri 50p - 52
(22No94)
Peet Hdigs PLC 6-25% (Nest) Cnv Curn NorvVig Prf £1 - 86 (18No94)
Pontreusira & Oriental Stearn Nav Co 5% Curn

Vig Pri 12 - 3-20% (veet Care Curn recon-ving Pri 12 - 36 (1866)64 Pri Staker & Orlental Sheam Nav Co 5% Curn Prid Stk - ESO (21NoS4) Prid Stk - ESO (21NoS4) Prid Stk - FSO (21NoS4) Prid Stk - FSO (21NoS4) Prid Stk - FSO (21NoS4)

10p - 82½
Petrofina S.A. Ord Shis NPV (Br in Denom 1,5
& 10) - BP3303.19
Pittands PLC 9½% Cum Prf £1 - 85 (224094)
Portsmouth&Sunderland NewspepensPLC11.5% 2nd Cum Prf £1 - 125
[23No34] net Platinuma Ld Ord R0.025 -

Polylebrarust Platinums Ld Ord Riu. Izo-5159-356 PowerGen PLC ADR (10:1) - \$87.1 Premier Heath Group PLC Ord 1p - 14, RPH Ld 556 (Finly 8%) Cum Pri £1 - 75 (18No99) RPH Ld 42% Una Ln Sik 2004/09 - £33 (72No94) RPH Ld 9% Uns Ln Sik 99/2004 - £33 RTZ Composition PLC 3.5% "B" Cum Pri £1(Br) (Cpn 85) - 52 4 (23No94) scal Bectronics PLC ADR (2:1) - \$7.05

Recal Sectionics PLC ADR (2:1) - \$7.05 (224:054)
Rank Organisation PLC ADR (2:1) - \$13.2 (224:054)
Rank Organisation PLC ADR (2:1) - \$13.2 (224:054)
Raciatr & Colman PLC 5% Cum Prf £1 - 55 (214:054)
Read International PLC 3.55% (Fmty 5½%)
Cum Red Prf £1 - 55 (214:054)
Retail Corporation PLC 4.025% (Fmty 6½%)
Cum 3rd Prf £1 - 61 (234:054)
Rota-Royce Power Engineering PLC 5.375%
Cum Prf £1 - 90½ (184:054)
Rota-Royce Power Engineering PLC 11%
Cum Prf £1 - 122½ (234:054)
Rogener PLC 112% Cum Prf £1 - 115
Cum Prf £1 - 122½ (234:054)

(23No94) Royal Insurance Holdings PLC 714% Criv Subord Bds 2007 (Br E Var) - £10614 (27No94) (2279044) Rugby Group PLC 6% Uns Ln Six 93/96 -686 (21No94) SCEcorp She of Com Stk at MPV - \$13% (22Nos4) antchi & Santchi Co PLC ADR (5:1) - \$7.53 (22NoS4)
Sainsbury(J) PLC ADR (1:1) - 58½ (21NoS4)
Sainsbury(J) PLC 89% Ind Une Ln S6: - 532
(21NoS4)
Starkonic Hidge PLC 7.25p (Not) Crw Cum
Red Prf 20p - 40 (23NoS4)
Scholl PLC 5½% Crw Cum Red Prf 2008/11
21 - 72

Schall PLC 5<sup>1</sup>a\*\* One Curn Red Prf 2008/11 21 - 72 Schroders PLC 8-½ % Una Ln Sik 97/2002 -522-½ (18\n69 9 Scottlish Metropolitam Property PLC 10<sup>1</sup>a\*% 1st Mig Deb Sik 2016 - 2104.05 (23\n69 q) Savern River Crossing PLC 8% Index-Linked Deb Sik 2012 (83-84%) - 21164; Shanghai Fund (Caymon) Ld Ptpg Sha \$0.01 - 39<sup>1</sup>a; (22\n69 q) Shall Transport3/TrodingCo PLC Ord Sha (81) 250 (Cpn 183) - 883 Shidd Group PLC Ord 5p - 5 Shoprika Pinance (UK) PLC 7.575p(Nef) Curn Red Prf Sha 2009 - 70<sup>1</sup>a; 1<sup>1</sup>a Sidaw Group PLC 7<sup>1</sup>a\* Una Ln Sik 2003/08 - 230 (22\n69 q) - 980 (22ho64)
Signet Group PLC ADR (2:1) - 20.57
(18ho84)
Signon Building Society 12<sup>7</sup>/<sub>4</sub>% Perm Int Bearing Sist 21000 - 2:118 <sup>7</sup>/<sub>2</sub> 8
Smith New Court PLC 12% Subord Uns Ln Sts 2001 - 2:108<sup>7</sup>/<sub>2</sub> (23ho84)

Smith (W.H.) Group PLC 51e% Red Une Ln Stk - 25112 (22No94) cham PLC ADR (5:1)

\$32,760 outh Stationdshire Water PLC 94,% Red Deb Stk 98/2000 - 1984 outh Stationdshire Water PLC 4% Perm Deb Sty - C401g 21 No94 Sty - C401g 21 No94 Stag Furnitum Högs PLC 11% Cum Pri £1 -96 (22No94)

and Chartered PLC 12%% Subord Uns Ln Sik 2002/07 - 1113 2 54 (23No94) Servert Zigolmala PLC Ord Sik 20p - 127 (23No94) Sutcliffe Speakman PLC 91/2% Red Cum Prf £1 - 92 (22No94) wire(John) & Sons Ld 6.3% Cum Prf E1 -100 100 Symonds Engineering PLC Ord Sp - 33

T & N PLC 114% Mg Deb Stk 95/2000 -(102 (18No94) TSS GBT Fund Ld Ptg Red Prf 1p(Class "B" Ptg Red Prf - 100.76 (22No94) TSB Group PLC 10<sup>5</sup>6% Subord Ln Stk 2008 €108<sup>1</sup>2 9 ore Inv Fund Ld Ptg Red Prf 1p(UK Equity Class) - 308.21 (16No94) TT Group PLC 10.875% Criv Quin Red Prf

TT Group P.C. 10.875% CW Cam Red Pri She 11 1997 - 278 (21\094) Tate & Lyle P.C. ADR (k.1) - 217.8 (22\094) Tate & Lyle P.C. 8% Uns Ln Sik 2003/08 -089 (23\094) Taylor Woodrow P.C. 9\7% 1st Mg Deb Sik 2014 - 139\7/2 825 \7/2 10 (23\094) Termissee Gas Ppeline Co 10% Sigs Crw tins Ln Six 91.65 - 6120 Uns Ln 50k 91/95 - £120 Tesco PLC ADR (1:1) - \$3.92 4 4 (23NoS4) Tesco PLC 4% Uns Deep Disc Ln Sik 2008

That Prime Fund Ltd Ptg Red Prf \$0.01 -\$15.5142 15.8015 (22No94) THORN EMI PLC ADR (1:1) - £9.72 (23No94) Tops Estates PLG Wis to sub for Ord - 17 20 rataiger House PLC 7% Uns Deb Sik £1 -65 (16No94) instager House PLC 8% Uns Ln Stk 94/99 -\$21 (23No94) C31 (23NoS4) ratalgar House PLC 9<sup>1</sup>2% Ums Ln Sik 2000/ 05 - E32<sup>1</sup>4, (21NoS4) ratalgar House PLC 10<sup>1</sup>4% Ums Ln Sik 2001/06 - S37<sup>1</sup>2 (23NoS4) ransatlantic Holdings PLC 5 8% Crev Prf 21 - 90 (23NoS4)

ransport Development Group PLC 9<sup>1</sup><sub>6</sub>% Uns Ln Stk 95/2000 - £35 (18No94) referest SBI: Printers Ld 6% Non-Curn Pri reticies Silv Prinsips LO 9% NORH-Lutin Pri C1 - 56 (22NoS4) Unigate PLC ADR (1:1) - 55.85 (21NoS4) Unigate PLC 5% Uns Ln Six 91/96 - 937 Unigate PLC 612% Uns Ln Six 91/96 - 937 Uniterior PLC ADR (4:1) - 51124, (21NoS4) Union International Co PLC 6% Cum Pri Six

Union International Co PLC 7% Cum Prf Six 21 - 59 Union International Co PLC 7% Cum Prf Six 21 - 59 Unisys Corp Corn Six S0.01 - 53<sup>1</sup>/<sub>2</sub> (23No9-9 United Partiations Africa Ltd Ord R0.50 -1021 021 (217034) 40x Group PLC 10,75% Deb Sik 2019 -114% (23NoS4) Acters PLC 5% Cum(Tax Free To 30piPri na Group PLC ADR(10:1) - \$301/2 1/4 3/2 

60 (22No94) ładdington(John) PLC 5.6% Cum Pri £1 -75 (22No94) 75 (22No94)
Wagon Industrial Hidgs PLC 7:25p (Nef) Cnv Ptg Pf 10p - 138 40
Walker Greenbank, PLC 81:2% Cnv Curn Red Pri 25p - 130 (22No94)
Walking Thomas PLC Ord 5p - 29 (23No94)
Warburg S.G.) Group PLC 77:2% Curn Pri £1
- 87 (up) - 87<sup>1</sup>40 Warburg (S.C.) Group PLC Cnv Dtd 25p - 385 5 (23No34) Watmoughs(Hdgs) PLC 81<sub>4</sub>% Curn Red Prf 2008 £1 - 94<sup>1</sup>2 (23No84) Wellcome PLC ADR (1:1) - \$10<sup>1</sup>2 Wels Fargo & Company Sts of Corn Stk \$5 - \$142 1<sub>4</sub> 3 1<sub>4</sub> 2 1<sub>4</sub> (21No34) Wembley PLC 6ptNet(Cnv Curn Red Prf 1999 £1 - 57

E1 - 57 ad PLC 6% 3rd Cum Pri Stk 21 - 61 bread PLC 7<sup>2</sup>4% Uns Ln Sik 95/99 sad PLC 7-14% Lins Ln 8tk 96/2000 and PLC 1012% Uns Ln Stk 2000/05 -2105<sup>1</sup>2 <sup>1</sup>3 6 Intecret PLC 5.1% Cum Pri 21 - 55

Widney PLC 8,79% Cmv Cum Red 2nd Pri 2000 St - 87 (21No94) Williams Hidge PLC 101,5% Cum Pri St - 116 (21No94) Willis Common Group PLC ADR (5:1) - \$11<sup>1</sup>2

es Group PLC 712% Com Prf Sik 22740949 983 Group PLC 65% Cum 2nd Pcf

Sik E1 - 50 (18No.94)
York Waterworks PLC Non-Vig "A" Ord 10p - 285 (21No.94)
York Waterworks PLC Warrante to sub for Ord - 200 (22No.94)
Yorkoble-Tyre Tees TV Hidge PLC Wis to sub for Ord - 230
Zambia Consolicated Zambia Consolidated Copper Mines Ld"B"

Investment Trusts Baille Gifford Japan Trust PLC Was to Sub Ord Shs - 75 5 8 80 5 (23No94) Ord Sits - 75 5 8 80 5 (23NoS4)
Baille Gifford State Nippon PLC Warranta to
sub for Ord - 102 (23NoS4)
Baille Gifford Site Nippon PLC Warranta to
sub for Ord - 102 (23NoS4)
Bailles Site Nippon PLC Warranta to
sub for Ord 2005 - 69 9 70 (23NoS4)
Bailles Investment Trust PLC 10½% Deb
Six 2016 - C111½ (22NoS4)
British Assets Trust PLC Equities Index ULS
2005 10p - 148½
British Empire Sec & General Trust 10½%
Deb Six 2011 - C107
Capital Gesting Trust PLC Ord 25p - 450 8
60 (23NoS4)

68 (23Ne94)
Crims investment & DavelopmentFid LdPad
Ptop Pri So.01 - \$11 11 (18Ne94)
Cemente Kores Emerging Growth FundShis
\$10 (Reg Lind - \$14 (22Ne94)
Dames investment Tunt PLC Wat to Subscribe for 1 inc & 1 Cap - \$1 (22Ne94)
Fidelity European Velues PLC Entity Linked
Unis Lin Sit 2001 - 137 (18Ne94)
Finsbury Smaller Cor's Trust PLC Zero Div Pri
25p - 184 1/4 1/2
Gerbrore British Inc & Goth Tet PLC Zero Chul. Gartmore British Inc & Goth Tet PLCZero DN-dend Pri 109 - 9814 Gartmore Shared Equity Trust PLC Geared Ord Inc 109 - 89 Sentence Value 1

CHO MIC TUP - 59

Gertmore Value investments PLC 12:34%
Deb Six 1995 - 2:700 (2:1N:594)
HTR Japanese Smiller Co's Trust PLCOrd
25p - 100 1 2 ½
2 Friedgeing Jepan Ld Warrants to sub for
Ord - 454) zard Select Investment Trest Ld Ptg Red Pri D. Lo Globel Active Fund - £13.15 13.19

(16NdSH) Izard Select investment Trust Ld Pig Red Pri 0.1p U.K. Active Fund - £14 14.28 (18No94) pzard Select investment Trust Ld Ptg Red Prf 0.1p U.K. Uquid Assets Fund - 210¢ andon & St Leanence Investment PLCOrd

59 - 157 ½
Landon & St. Lawrence Investment PLC5%
Curn Pri £1 - 51 [21]No94]
MorganGrenfell atthibune Co's Tel PLCWs to sub for Ord - 57 (22)No94]
New Guernsey Securities Trust Ld Ord 25p -New Tarognoston True(1963) PLC 12.6% Deb Six 2008 - 2117 (18No94)

Deb Six 2008 - 2117 (18No84)
Parloss Freuch Investment Trust PLCSess "A"
Warrants to sub for Oct - 19 (28No84)
Parloss Freuch Investment Trust PLCSess
"B" Warrants to sub for Oct - 18 (18No84)
Schroder Kores, Fund PLC Was to Sub for Oct 691 - 57 Ord (Br) - \$7

Ord (Sr) - S7
Contrish Investment Trust PLC 4.55% Cum
"A" Pri Sik - 594
Scottish National Trust PLC 6% Cum Pri E1 70 (21No64)
Scottish National Trust PLC 10% Deb Sik
20.11 - E104-1; (22No64)
Sibres High-Yusting Sinitr Co's Tativits to
Sub lor Ord - 65
Sohere Investment Trust PLC Revised War-Sphere investment Trust PLC Revised War-rants to sub for Crd - 3 (22)4094) TR City of London Trust PLC 11<sup>1</sup>/<sub>2</sub>% Deb Stk 2014 - C119<sup>1</sup>/<sub>2</sub> 2014 - C119<sup>1</sup>/<sub>2</sub> TR Fer East Income Trust PLC 7% Dab Sic 97/2002 - ESS (229/c94) Tempte Bar Investment Trust PLC 7% Cum Pt Six C1 - 72 (189/c94) Tempmorton Trust PLC 12 5/16% Dab Six 2010 - C120<sup>1</sup>/<sub>2</sub> (229/c94) Updown Investment Co PLC Ord 25p - 595 (279/c94)

Wilgenore Property Investment Tet PLCWs to Sub for Ord - 25 (22No94) Willen Investment Co PLC 8% Deb Site 96/99 - 527 (21No94) Milan investment Co PLC 8<sup>1</sup>2% Deb 9tk 2016 - £94<sup>1</sup>4, 5<sup>1</sup>8 <sup>1</sup>2

USM Appendix Belos PLC Ord 10p - 300 20 (23No94) FBO Moldings PLC Ord 169,50 - 101,7 Geode Main PLC Ord 25p - 427 Midland & Scottish Resources PLC On 200 PLC Old 199

Total Systems PLC Ord 5p - 38 (21No94) Rule 4.2(a)

AMCO Corp Inc Ord 10p - 20.78 (21No64) Advanced Media Systems PLC Ord 21 -African Gold PLC Ord 1p - S01825 (22% At England Lewit Teaths Ground Ld Deb 96/ 2000 22000E4350Pd-15/5/96 - 26900on Street Brewery Co Ld Ord 21 - 23.86 Ann Street Bravery Co Ld Crer Red 2nd Pri 21 - 28.66 (229094) £1 - 28.66 (22No94) Arros Village Ld Ord 18p - 20.29 (18No94) Assensi Football Club PLC Ord £1 - 2500 Aston Villa Footbell Chib PLC Ord 25(1 vote)

- 296
Azure Group PLC Ord 10p - 10,2354
Berdays Investment Fund(CL) Global
Resources Pund - 20,6165 (18%):94
Berdays Investment Fund(CL) Starling 8d Fd
- 20,4169 (23):094) Bayland & Co PLC 11.5% Cum Pri £1 - 20.81 0.25 (22No84) Best Peninsular Homes PLC Ord 25p - 20.42 uth Water PLC Ord 21 - 27 cote Holdings PLC Ord 5p - 20.47 (23No94) Interes European Sond Pand Pig Red Pri 1p - 29.2750

mm PLC Ord 1p - 50-1 Charities Cilicial truestment Fd Income Shs -98.8410 Consister Trust PLC Ord 25p - 50.34 (21No94) Decision Control of the Control of the Control of Contr on Hidge PLC Ord 10p - 2512 5.8

(22NoS4)
Douglas Gas PLC Ord 25p - 21<sup>1</sup>4 (22NoS4)
Blot (61) PLC 7.6% (Not) Criv Curn Red Pri 21 - 21<sup>1</sup>4 Everton Footbell Club Co-Let Ord Stk £1 -92400 (18No84) Firecreat Group PLC Ord 10p - 9031 (21No Formscan International Group PLC Ord 1p Furlang Harnes Group PLC Ord 10p - \$1.04 [21]No94] Gade (George) & Co Ld Ord £1 - £9<sup>7</sup>2 (18No94) Gender Holdings PLC Ord 1p - 10.06 Golden Rose Communications PLC Ord 1p -

the Appointments PLC Ord 1p - 29.13 (23NoS4) Guerrasy Ges Light Co Ld Ord 10p - 21 1.01 (22NoS4) Guerrasy Press Co Ld Ord 10p - 21.84 1.95 (22NoS4) (23No84) Iscox Dedicated Insurance Fund Ord 50p -£1<sup>1</sup>s Hydes'Armii Brewery' Ld 'E' Ord £1 - £0.7 #334-60 Hydras Armill Brevery Ld. 18\* Ord. 21 - 2017 (25No69)
Hydro Hobel Eastbourne PLC Ord 21 - 24.4 (18No69)
I E S Group PLC Ord 10p - 24.06 4.08
ITS Group PLC Ord 21 - 20.3
Indepenent British Heathboars PLC Ord 25p - 20.785 (18No69)
Jennings Bross Ld Ord 25p - 22.084
Just Group PLC Ord 1p - 20.0275 (18No69)
Idelmort Bersonding Fund Man Int Aco Units Brond Fd - 214.832
Idelmort Bersonding Fund Man KG Gilt Fund - 214.01 (22No69)
Geth to - 22.6529
Lacksread Group PLC Ord 5p - 20.36

and Group PLC Ord Sp - 20.36 Lawrie Group PLC Ord 21 - £26 (22) Le Riche's Stores Ld Ord 21 - £2.97 (22No94) isszetűme Inns PLC Ord 5p - 20.07 pool PC & Athletic Grounds PLCOrd £5 - Paris de la compansión de la compansión

W. A. A. A.

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70 - 27 A

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Mid-Southern Water Co-Out ET \_\_ETO\_ N.W.F. Ld Old 21 - 28 (22)084) North Seat Water PLC Cet 21 - Elong. (18No90) North Surrey Water Ond 10p - 12 (Cities

bembrien Residential Properties ComMedia PLC Ord Sp - 2035 Pacific Media PLC Ord 1p-1 g Pacific Media FLC 11% Com Par 21 21 18148 Pers Ancien Resources PLC Ord 19-91.0025 [18]No94 Park Lane Hotel PLC 6.0% Com Pr( Cr.

picets - £1.051615 studi,loner) Official Emerging Con -Perpetual levery Offshore For Eastern Grade Fd - 13,12222 Rangers Footbal Club PLC Ord 164 - 20.65

ottish Pride Hidde PCC Ord 180 - Etc. Suiton Hotel Ld Ont 21 - 23.85 (22) Select Industries PLC New Ord 7 20 55 Pd - 20.025 (21)4694 Shaphard Neame Ltd "A" Ont Et - 86.5 them Newspapers PLC Ord 21 - \$4.38

them Vecto PLO Ord 10o - 2056 Surrey Free Inns. Ord 21 - 20.42 (234:04) Threates(Daniel) Co PLC Ord 25p - 22.7 (22N:094) Resolut PLC Ont So - PROS (230) 646 Transcrime Technologies PLC Ord 1p v 2026 1,025 1,1 Unicom kast PLC Old 25p - 20.67 (21No94) View Enterminants PLC Ord Sp - 20.01 Wadworth & Co 9446 Cum Pri 21 - 21.01

Weetstik Ld "A" Non-V Ord 25p - £18.1, 19 Winchester Made Made PLC Ord 50 - 20.72 RULE 21 (W) rgains merked in securities not ling within Rule 2.1 (a)(i) I where a pricipal market is outside the UK and Rispublic of Ireland

lerbum Securities PLC Wis to sub for

Ballerat Goldfields A\$0,19152122.113 Bank East Aula H\$32,73474(24.11) Contract Mining ASO,447975(24.11) City Cove S\$7,8819(24,11). Devex 28(18,11) Futurio A\$1.075(24.11) Goldrim Mirling Aust A\$0,80(22.11) Killinghall Mel Bertard Ord RM\$.6532(24.11) Kulim Malayala Ord 83(22.11) Oil Search 36(23.11) Petroletim Stace Aust A\$1,388021.11) Pretoria Portland F294(22.11) Qualter State Corp \$135(23.11) Quest Inv A\$0.3125222.11) etic Elec 921 M/18.111

Valent Cons A\$0.35245(24.11)



FINANCIAL TIMES

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#### London - 13 & 14 December 1994

This high-level meeting will review current developments in biotechnology and assess future trends; consider regulatory issues and discuss the challenges of raising the finance needed to exploit fully the sector's potential.

- ISSUES INCLUDE: · Links between Pharmaceutical Majors and Biotechnology Companies
- The Clinton Healthcare Reforms and the US Biotechnology Industry
- The Government's Role in Fostering Biotechnology
- Is a Funding Crisis Imminent? · The Problem of Patents

#### SPEAKERS INCLUDE:

- Dr Keith McCullagh Chief Executive, British Biotechnology Chairman, BioIndustry Association
- Mr Carl B Feldbaum President **Biotechnology Industry Association** Professor Dr Horst Dieter Schlumberger
- Biotechnology Co-ordination Bayer AG **Professor Ernst-Günter Afting** Chairman & Chief Executive Officer Rousel Uclaf
- Mr Strachan Heppell CB Deputy Secretary, Department of Health Chairman, EMEA
- Professor Dr Jürgen Drews President, International Research and Development, Hoffmann-La Roche Inc President, SAGB Mr Teoh Yong Sea
- Director/General Manager Singapore Bio-Innovations Pte Ltd Dr Frank Baldino Jr.

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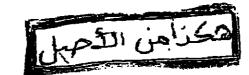
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#### LONDON STOCK EXCHANGE

### **Ghost of Christmas Past hovers over UK market**

#### By Peter John

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Share traders in London held their fire for much of yesterday as they awaited next week's political developments. As a result, the traditional "Friday feeling" contained more than its usual quota of torpor.

But recovery on Wall Street and some bullish comments from one of the UK's leading securities houses were enough to raise the ghost of

Christmas Past From being 22 points down at one stage the FT-SE 100 closed only 3.1 lower at 3,033.5. However, that still reflected a fall of almost 100 points on the week. In tandem, the secondline stocks represented by the FT-SE mid 250 Index ended the day down 0.9 at 3,480.3.

With the US markets closed on Thursday and thus offering no direction, the first part of the day by the Confederation of British

was soggy. The FT-SE 100 opened more than seven points down as few investors were prepared to commit themselves ahead of the Tory vote on the European finance bill scheduled for Monday - a vote of confidence in the government - and the Budget on Tuesday. What many saw as the "dead cat" bounce of the previous day unwound itself.

Much of the early activity reflected so-called bed and breakfast deals. These large tax-related trades have been evident in the run-up to the Budget, fuelled by fears that the Chancellor may end a practice many see as nothing more than a tax loophole.

The market hit a low of 3,014 as economists examined the latest survey of economic trends published

Industry.

Although the survey argued that growth would slow because of increased taxes, it recorded an increase in manufacturers expecting domestic price increases and revived rate rise worries. Then, Wall Street opened strongly

leading to recovery in the bond markets and dragging the stock market higher. Footsie futures also moved from a small discount to the cash market to a small premium, By the time London closed, Wall Street was showing a 30-point gain. Business also picked up late in the day with turnover reaching 587.6m shares against 577.1m on Thursday. Nevertheless, much of it

represented marketmakers tweak-

ing their books and genuine cus-

tomer or retail business was not

expected to be significant. Retail commented: "Just before the Budbusiness on Thursday stood at

Another element nudging equities forward was a bullish economic forecast from S.G. Warburg. The securities house raised its estimate for growth in 1995 to 4.5 per cent from 3.8 per cent previously.

The figure is at the top of the range of economic forecasts and, while it might appear to herald interest rate palpitations, it was combined with an argument that inflation will remain comparatively low. Coming on the heels of a change of heart from UBS earlier in the week the review suggested that pre-Christmas cheer for the London market might be making an appear-

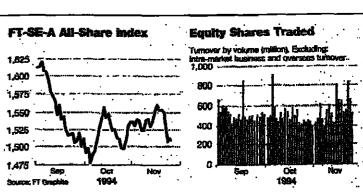
Mr lan Harnett, economist with Societe Generale Strauss Turnbull,

get last year the market stood at 3,067 and our forecast of 3,250 looked demanding. But by the end of Christmas the Footsie had rallied

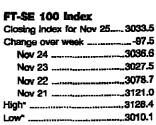
to 3.418."

A great deal will depend on the vernment's Public Sector Borrowing Requirement which will be revealed during the Budget. If that is substantially reduced it could prompt an investment rush. And if growth is the buzz word then equities could benefit at the expense of government bonds.

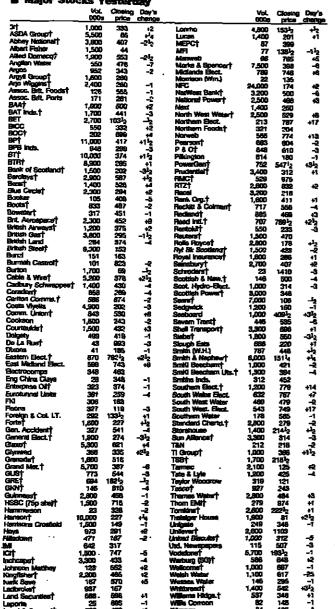
Market features were scarce although the acknowledgment by the Halifax Building Society that it was in talks with Leeds Permanent shook up the banking sector. And expectation continued that GEC would make an increased bid for the submarine maker VSEL



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indices and ratios			FT-SE 100 Index
FT-SE Mid 250	3480,3	-0.9	Closing Index for Nov 25
FT-SE-A 350	1522.7	-1.3	Change over week
FT-SE-A All-Share	1509,03	-1.25	Nov 24
FT-SE-A All-Share yield	4.05	(4.04)	Nov 23
FT Ordinary Index	2323.3	-3.6	Nov 22
FT-SE-A Non Fins p/e	18.27	(18.26)	Nov 21
FT-SE 100 Fut Dec	3035.0	+1.0	High*
10 yr Gilt yield	8,50	(8.48)	Low
Long gat/equity yld ratio:	2.13	(2.13)	*Intra-day high and low for week



#### TRADING VOLUME Major Stocks Yesterday



#### **EQUITY FUTURES AND OPTIONS TRADING**

Stock index futures moved narrowty in low trading volume. turning modest losses into a small improvement after the early upturn on Wall Street, writes Jeffrey Brown.

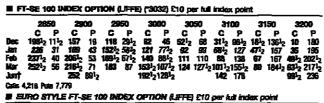
The FT-SE 100 December contract was 3036 when pit trading came to an end, up two points for a two-day gain

of 11 points. On the week the contract was a net 104 points lower. The premium to the cash market was two points or five points under fair value. Volume was again low with 6.847 contracts traded against

ance.

7,015 on Thursday. Stock option volume was 20,975 lots, down from 26.574.

	Open	Sett price	Change	High	Low	Est voi	Open int.
Dec	3027.0	3035.0	+1.0	3047.0	3009.0	7729	50324
Mar	3045.5	3049.5	+1.0	3045.5	3027.5	847	9828
Jun		3071.0	+1.0			D	145
■ FT-8E	MED 250 R	DEX FUTUR	ES (LIFFE	£10 per fi	uti index po	int	
Dec		3475.0	 -5.0				2853
Mar		3512.0	-5.0			0	2504
FT-SE	1400 250 PM	DEX FUTUR	es (OMLX)	£10 per to	all index po	int	
Dec		3.475.0					287



2875 2926 2978 3025 3076 3125 3175 3225 173 13<sup>1</sup><sub>2</sub> 132<sup>1</sup><sub>2</sub> 23 96 36 66 56 42<sup>1</sup><sub>2</sub> 28<sup>1</sup><sub>2</sub> 25 114<sup>1</sup><sub>2</sub> 13 152<sup>1</sup><sub>2</sub> 6<sup>1</sup><sub>2</sub> 195<sup>1</sup><sub>2</sub> 200<sup>1</sup><sub>2</sub> 34 164 47 131 64 103 85<sup>1</sup><sub>2</sub> 79 110<sup>1</sup><sub>2</sub> 57 138 41 171<sup>1</sup><sub>2</sub> 30 210<sup>1</sup><sub>2</sub> 184 51 54<sup>1</sup><sub>2</sub> 124 96 77 147<sup>1</sup><sub>2</sub> 442 213<sup>1</sup><sub>2</sub> 194 77 134 110 87 161 52<sup>1</sup><sub>2</sub> 224<sup>1</sup><sub>2</sub> 224<sup>1</sup><sub>2</sub> 238<sup>1</sup><sub>2</sub> 97<sup>1</sup><sub>2</sub> 180<sup>1</sup><sub>2</sub> 136 132 184 52 241 Calls 975 Puts 621 " Underlying † Long dated expiry morths. IN EURO STYLE FT-SE MED 250 INDEX OPTION (OMLX) \$10 per full index point

3450 3500 3550 3600 3650 3700 3750 84.9 38.5 57.7 62.2 37.1 91.2 Calls O Pets O Settlement prices and volumes are taken at 4,30pm

## FT-SE-A INDICES - LEADERS & LAGGARDS

Percentage changes since D	ecember 31 1993 besed on F	riday November 25 1984
Engineering, Verlicius +7.68	FT-SE 186 2508.20	FT Gold Miles Jodgy14.16
Printing, Paper & Policy +8.77	Food Manufasturas8.47	Diversified Industrials14.46
DB triagrated +4.46	Non-Reandels	Textiles & Apparel
Oil, Exploration & Prod +4.26	Gen Manufactusers8.90	Life Assurance
Mineral Estraction +3.58	Servess	Distributors14.93
Extractive transmittes +1.24	Communer Goods 4.63	-14.94
Retailers, Food	Heatin Care18.10	-16.57 Publing Meterlals
Engineering +0.71	Support Services10.16	Retailers, Gesteral17.25
Letters & Hotels	FT-SE-A AS-Share 10.29	Financials 16.01
Electricity	FT-SE-A 35010.59	Banks18.18
-9.34	Trusts10.78	Merchani Banks18.32
Chemicals3.75	FT-SE 10011.26	Housebold Goods19.64
FT-SE SmallCap ez IT4.68	Spirits, Wisses & Ciders11.87	Telecontaristications19.68
Browertes4.83	UKSR15612.73	Insurgece
Pharmeculates5.55	Backwold & Bled Egyt13.28	Tobacco
FT-SE Smal(cap	688 (lisktbudon13.49	Property21.74
打-5年   250 ま 「7.85	Transport14.02	Boliding & Construction21.84

Low

5/9 2439.96

High

31/3 2882\_01 5/9/94 969\_20 19/2/96

LOW

High

	Nov 25	Day's	Nov 24	Nov 23	Nov 22	Year ago		Earn. yal%		Xd adj	. To <u>bal</u> Rotum		19	94 LOV	_	 Higi		<del>replication -</del> Lis	
FT-SE 100 FT-SE 186 2580 FT-SE 186 258 ex the Transis® FT-SE A 3500 FT-SE SAMEDIA FT-SE SAMEDIA FT-SE SAMEDIA FT-SE-A ALL-SEASEO	3033.5 3480.3 3481.0 1522.7 1762.70 1732.45 1508.03	4 4 4	3036.6 3481.2 3483.5 1524.0 1783.25 1733.42	3027.5 3488.8 3483.9 1521.2 1782.75 1733.83	3078.7 3545.3 3548.0 1546.7 1782.19 1750.50	3111.4 3454.9 3454.2 1550.5 1734.96 1711.14	4.24 3.63 3.79 4.10 3.37 3.57	7,25 5,91 6,40 6,95 5,01 5,57	16.29 20.37 16.96 17.97 25.33 23.12	116.23 122.22 127.35 57.25 52.08 53.05	1153.01 1304.42 1302.27 1184.15 1373.73 1354.40	3520.3 4152.8 4160.7 1778.3 2664.98 2064.72	2/2 3/2 19/1 2/2 4/2 4/2	2876.8 3363.4 3382.4	246 276 276 246 25/11 25/11	3528.3 4152.8 4168.7 1778.2 2094.96 2080.72 1764.11	2/2/94 3/2/94 19/1/84 2/2/94 4/2/94 4/2/94 2/2/94	986.9 1379.4 1378.1 884.5 1363.79 1363.79	

B16 774<sup>1</sup>2 1,500 711 174 510 1,200 847

# FT-SE	Actuaries	All-Share
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<b>=</b> 1	Hourly movement	<b>S</b>		9.00	20	100	11.00	ı	12	90	13	L00	14.00		15.00	16.1	0	High/day	Low	r/day
	FT-SE-A ALL-SHARE(965)®	•																		
80	INVESTMENT TRUSTS(124)	1509.03					1533.30	4.05	6.81	17.48	55.91	1193.59	1764.11	2/2	1445.85	246	1784,11	2/2/94	81,92	13/12/74
79	Property(41)	2702.65	+0.3	2894.45	2681.05	2738.16	2663.30	231	1.98	50.91	59.44	910.92	3184.31	2/2	2616.98	27/6	3184,31	2/2/94	977.20	14/1/88
77	Other Financial(24)	1404.83	_	1404.36	1401.56	1418.34	1711.80	4.38	4,64	27.JN	46.97	806.60	1885.66	4/2	1401.58	23/11	2132.40	5/9/89	718.49	16/9/92
75	Merchant Banks(b)	1843.61		1844.27	1848.28	1876.93	1699.60	3.95	B.56	13.98	67.63	991.04	2279.35	4/2	1752.83	47	2279.35	4/2/94	855.38	1/10/90
74	the Assurance(6)	2321.82 2787.46	-0.1	2768.99		2958.12	2994.10		10.30		97.78		3781.20	2/2	2532.02		3761.29	2/2/94	982.80	27/1/86
71 73		1210.86	40.4	121U.46	2317.97	2350.ER	2683.60	5.50			127.82	898.57	2921.37	19/1	2120.61	1/5	2921.37	19/1/94	967.70	23/1/86
-		2830.11	-0.7	2848,85	2822.22 1204.74	28/U.54	2849.50 1.407.60		10.08 10.08	11.41 11.30			3801.55 1883.51		2015.// 1153.62	8/7 24/6		29/12/88	950.60 870.60	25/8/92
	Manager Commercia	2142.98	-0.3	2150.07	2137.38	2174.63	2277.50		9.14		90.84	853.34 850.89	2737.13		2834.74 2815.77	24/6	2737.13 3901.55	4/2/94 4/2/94	977.20 950.60	23/1 <i>1</i> 86 23/1/86
	HON FELANCIALS(837)®	1629.53		1630.37				4.04		18.27		<u>-</u> _		2/2	<u> </u>	246	1870.38	2/2/94		13/12/74
	Water(13)	1771.57		1779.75											<del></del> -					<u> </u>
66 66	_ ·	1931.31			1909.80		2270.00 1895.70		8.13 13.79	7.59	50.22 80.81	823.59 891.06	2450.42 2126.79	2/2 3/2	1994.68 1588.71	1/6 27/6	2461.29 2126.79	29/12/93 3/2/94	924.70	3/10/96 1/5/90
62 64	· · · · · · · · · · · · · · · · · · ·	1958.07			1957.20			6.12			119.82	919.69		7/1	1684.25			16/12/93	984.90 802.50	9/12/96 3/10/86
	<u> </u>	2474.78	+0.8	2454.80	2505.46	2539.41	2144,90		10.00						<b>2024.</b> 12		<b>2754.7</b> 4		995.30	7/1/91
		2340.22	+0.3	2334.07	2345.65	2394.03	2458.98	4.50	8.06	15.06	91.17	908.15	2762.33	2/2	2100.92	24/5	2762.33	2/2/94	892.50	3/10/86
49	Transport(16) Other Services & Busicens(7)	1250.12	-0.1		1248.96		1164.40	4.43	3.26	45.87	28.63	1076.40	1369.58	10/2	1139.62	21/4	2450,30	16/7/67	963.10	14/1/86
48	Support Services(41)	1507.50 2245.09	-0.3				2359.20	3.79	6.29		67.01				2155.54	5/10	2805.98	3/2/94	960.00	14/1/86
45	Retailers, General(45)	1588.39					1728.50 1584.00	3.46 2.83	7.20 8.53		50.76 38.43	854.10 920.47	1918.67 1886.43		1578.12 1458.18	5/10 5/10	185L24	2/2/84	939.00	1/2/91
47	Retaliers, Food(16)	1743.02	+0.2	1739.82	1733.49	1752.60	1583.50	3.75	9.1D					19/1 4/1	1517.94	25/4	2239.20	28/1/93 29/12/93	917.49 870.10	21/1/86 9/12/88
42 43	Leisure & Hotels(29) Media(39)	2842.08	_	2843.13	2825.80	2878.88	2602.00	2.47	5.30		70.14	989.13		17/2	2675.11	27/6	3349_11		976.20	9/1/85
41		2081,91		2058.46			1905.60	3.43	5.27			1019.43	2380.62	17/2	1994.16	6/7	2360.62		975.40	21/1/86
40		2518.44		2527.85		2553.89		3.79	7.33		69,19	878.50		2/2	2450.36	5/10	3319,33	2/2/94	988.50	21/1/86
	Tobacco(1)	1896.25			1896,03		1892 60	3.31	8.88	18.05	58.80	935.46	2207.77	19/1	1846.11	5/10	2257.77	19/1/94	944.90	23/1/86
37		3078.22 3899.59	-0.8		3695,39			5.87	9.29		217.07	843.97	4718.85		3120.74	246		29/12/93	982.00	9/1/86
36		1588.05	+0.1	1586.19 3076.93	1571,32		3030.70	4.38	6.99		133.07			26/6	2541.70		4168.90		953.70	13/1/86
34	Household Goods(13)	2301.04			2316.01		2576.10 1682.90	3.96 3.22	7.89 3.39		89.98 49.70	833.29 926.06	2894,14 1908,13	18/2 19/1	1568.48	5/10	289L14 2047.40		927.10 972.68	21/1/86
33		2251.43					2282.10		7.83		94.55	953.87	2600.54	19/1	2099.28 2275.86	24/6 5/10	2600,64	19/1/94 18/2/94	946.10 927.18	14/1/86 21/1/88
32		2711.31	-0.8	2732.30	2754.93	2782.43		4.14	7.13		102.20	91291	3225.93	24/1	2636.46	24/6	3457,00		967.50	14/1/86
30 31		2183.55	+0.2	2179.79	2194.98	2206.84	2064.00	4.35	7.95	15.16	61.47	978.33	2464.52	19/1	2071.07	24/6		19/1/94	962.00	14/1/86
_=		2718.42	-03	2725.BR	2724.53	2756.30	2760.90	4.44	7,40	15.65	112.89	941.57	3048.76	24/1	2434.94	246		22/12/92	967.50	14/1/86
29 29		1550.58			1555.42			4.34	8.41	20.22	63.23	885.99	2024.96	4/2	1543.35	8/11	2325,00	2/10/87	969.60	249/90
27 28		2780.95	-02	2767.58	2785.51	265A.15	2489.B0	3.12	5.58	20.90	81.25	1098.49	3045.61	18/3	2621.19	4/1	3045.61	18/3/94	973.30	14/1/86
25 27		2290.88					1972.00						2516.95	8/6	2095.34	25/6	2518.95	8/6/94	985.66	14/1/86
25		1826.18 1805.34					1684.30					1038.87	2011.17	2/2	1736.95	24/6	2011.17	2/2/94		10/11/87
24		1732.85			1732.77		1975.10 2055.90	5.40	5.31 6.88	22.62 17.35	82.92 61.88	891.29 895.21	2237.57 2263.38	2/2 4/2	1820.62	27/10		212194 472194	986.80	29/9/88
23		2240.45						4.21	4.70	25.56		998.66	2595.42 2231.57	8/8 2/2	2233.19 1725.10	23/11 25/10	2556.42 2231.57	8/8/94 2/2/94	979.50 964.80	14/1/86 21/1/86
22		1821.96						4.09	5.36	22.58		864.59			1783.72	7/10	2353,22	24/1/94	954.80	9/9/92
	Building & Construction(33)	1822.02		1021.99	1019.95	1033.51	1141.90	3.87	5.49	24.00		805.73		8/2	1017.84	5/10	2125.00		538.30	9/9/92
_	GEN MANUFACTURERS(267)	1841.64	-0.1	1842.58	1840.08	1876.86	1908.10	4.22	5.32	22.79	70.99	943.64	2232.68	2/2		26/10	2232,68	2/2/94	986.10	14/1/86
	Of Exploration & Prod(11)	1638.71	-0.5	1848.32	1846.38	1873.88	1797.80	252	<u>‡</u>		38.03	1063.84	2088.43	27/4	1764.48	31/3	3944.10	8/8/90	660730	28/7/96
	Oil, integrated(2)	2626.97	+0.2	2621.78	2599.05	2627.57	2329.50	3.70	5.72			1084.83		5/9	2349.96	30/3	2792,46	5/9/94	982.30	20/2/96
	Extractive industries(4)	3762.16			3753.45			3.41	5.45	22.67				2/2	3656.88	12/7	机机场			31/12/95
10	MARAL EXTRACTION(18)	2655.27	+02	2651.25	2833.50	2667.1U	2366.40	3.56	5.15	24.55		10/1284		2/9	24,551,50	31/3	200ZJJ	3/2/194	30170	124.02.00

M 114	Open											
	3029.2	3019.5	3018.2	3015.7		019.3	3022.2	3022.9	3031.5	3032.2	3033.5	3014.3
T-SE 100	3471.4	3481.2	3464.7	3464.6	3	468.8	3469.1	3470.5	3474.8	3477.7	3480.3	3461.2
T-SE Mid 250		1515.3	1515.2	1514.2	1	516.0	1517.2	1517.6	1521.3	1521.9	1522.7	1513.7
	1520.1					•••			-			
T-SE-A 350	m Low: 10,15em											
-T-SE-A 350 Time of FT-SE 100 High: 4.27pt	aso lad	ustry bas	skets									
Time of FT-SE 100 High: 4.27pt	Open	9.00	10.00	11.00	12.00	13.00	14,00	15.00	16.10	Close	Previous	Change
		967.0	987.3	967.3	967.3	967.3	968.1	968,1	968.1	968.1	968.3	-0.2
	967.5		3027.2	3025.2	3030.1	3031.2	3032.2	3047.8	3049.4	3050.7	3049.3	+1.4
idg & Cristron	3036.3		1749.1	1755.1	1784.2	1784.6	1765.1	1772.1	1767.7	1768.5	1776.6	-8.1
harmaceuticls	1748.8		2850.1	2846.5	2652.0	2953.7	2852.8	2881.0		2885.8	2884.8	-19.0
Mater	2872_4	2002/		Base	Base			Base		20000		10e Base
Bentes	date Value	Equity sect	ion or grou	date o	ويطوي	Ефійу вес	tion or group	date	value Equi	ty section <u>or</u>	group d	ato value
quity section or group	date vace		as inv Trusts	31/12/85	412.80	Water		29/12/89 1	1000.00 UK (	ilta Indices	31/12	75 100.0
and the same of th	70	CT_CE-A 35	0	31/12/95	682.94	Non-Finance	state	10/4/62	100.00 Inde	t-Linked	30/4	/62 100.0
T-SE Total Return Indices	1/12/92 1363.79	CF 100		31/12/83	000.00	FT-SE-A A	-Share	10/4/62	100.00 Date	and Loans	31/12	77 100.0
T-SE SmallCap et ally ins	1/12/92 1412.60	CHOCK CATA		Washington to	Name Cons	· Eurice	-d the ET 05 A	the section AB. Ch.		- FT 65 6		
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#### **Halifax** talk hits banks

Merger plans by the Halifax and Leeds Permanent ruffled the banking sector with the stock market quick to mark down the big mortgage lenders Lloyds Bank and Abbey National on the news that the new entity would seek to become a listed, public limited company.

Lloyds, which is absorbing the Cheltenham and Gloucester Building Society, shed 10 to 564p while Abbey National dipped 21/2 to 407p having been as low as 404p at

one stage during the day. Most banking specialists thought the initial share price responses were overdone, however, arguing that the merger was aimed as much at removing mortgage capacity as supplying the stock market with a

bigger, more aggressive lender. The two societies, numbers one and five respectively in the building society pecking order. have combined assets of £88hn and are likely to have a market capitalisation of around £5.5bm when they come to the market possibly some time in 1996, according to best bets among

This would would put any Halifax/Leeds bank roughly on a par with the Abbey National and is likely to propel the new entity directly in to the Footsie 100 index. With a 23 per cent share of net new mortgage lending, it dominates the field in this area, with Abbey National holding down 10 per cent and NatWest some 6 per cent.

#### **NW Water rises**

analysts vesterday.

Shares in North West Water reversed an early retreat and powered ahead gaining 9 to 529p, in trade of 2.5m, as the market gave a favourable welcome to the group's new partnership with IIS construction services group Bechtel and favourable interim results.

The deal, designed to boost NWW's international water and waste operations, also involves the sale of the group's engineering subsidiary and transferring the management

#### **NEW HIGHS AND LOWS FOR 1994**

NEW HIGHS (12). BLECTRING & ELECT BOUP (1) Karshew (A). ENGINEERING (2) Cobham, Tumpala, EXTRACTIVE INDS (1) Anglo Amer, Coal. INVESTMENT TRUSTS (2) Fleming Int'l High Pf., Germore Value Zino Pf., Filver Plate Zeo Pf., Oll. EXPLORATION & PROD (2) Cruence Global Natural Resources, Inc., PRTING, PAPE

PI, UR. EUT-UNITOR OF PHOLO OF CHARGON, Global Nitheral Resources, Inc., PRITING, PAPER & PACKOS (1) Storn B., SPRITIS, WINIES & CIDIERS (1) Micodoneld Mentra A. TEXTILES & APPAREL (1) Chemberten Phipps.

NEW LOWIS (80).

BANKOS (1) First Nert. Finace 7pc Pt., BURLDING & CHISTRIN (4) AMEC Sidp Pt., Avonside, Eve. Reges Corp., BLDG MARTLS & MCHTS (5) Corp., BLDG MARTLS & MCHTS (5) Corp., Hoywood Williams, Do Pt., Narchae, Remay, CHEMICALS (3) Contration, Kelon, Volgster Chems., DISTRIBUTIONS (6) Appleyand, Calverdale, Hortsige, Lox Service, Wholeself Philosy, Young (1), DWERSFIED NEUS (2) BTR Vibrarius 9495, Saveley Inds., BLECTERO & ELECT EGUP (4) Chorde, DNS Dals, Rics, Fonward Group, Telecropte,

ELECTRING & ELECT EQUP (4) Chloride, DRS
Dais, Res., Fonsard Group, Telemetry.
Dais, Res., Fonsard Group, Telemetry.
Pl. ENG, VEHICLES (1) Select Inds.,
EXTRACTIVE RIDS (4) Balaynthit Gold,
EXTRACTIVE RIDS (4) Balaynthit Gold,
Dominion Mahring, Nigalini Mahring, Sipe, Res.,
FOOD MANUF (1) Hizzlewood. HEALTH CANE
(1) Biotrace Int't., DRSURANCE (4) Comestic &
General, JR, Onel, RYSSTMENT' TRUSTS (14)
IMMESTMENT COMPANIES (1) Guengdong
Davipt, Fund, LESURE & HOTELS (2) Prism
Les., St., Junes Select Holds. MEDA, 22 Captal Duvipi, Fund, LESURIE & NOTELS 22 Prism Les, St., Junes Beyoth Hotel, MEDIA 23 Capital Ratio, Sunset & Vine, OR. EXPLOPATION & PRICO (1) First Australian Rose, OTHERS PHANACIA. (1) MF, PRITING, PAPER & PACKO (2) API, Plym, PROPERTY (7) Britisy, Brit Land Spc Cr. Bd., Claveland Tuse, Design, Oevelopment Soca, Peol Hidgs, Property Tust (PVT), RETAILERS, POOD (2) Dairy Form MrT., Streets CETAILERS, POOD (2) Dairy Form MrT. P-VI), NETALLESS, FOOD (2) Daily Ham Int., Shopnie, RETALLERS, GENERAL (2) Boots, Estex Furniture, Kleences, SPIRITS, WINES & CRICRS (1) Merrydown, SUPPORT SERVE (2) CRIC, Mays, Vistox, TEXTILES & APPAREL (2) Calciwell Inva., Readicus, WATER (1) South West Witter, CANADIANS (1) Darlen Ind's.

of its five-year capital investment programme to its new US partner.

NWW also reported an 8 per cent increase in interim profits to £176.4m, in figures brought forward from next week to tie in with the partnership announcement. But the 8.9 per cent increase in the dividend to 8.35p was said to have fallen a "little short" of market expectations.

Mr Richard Alderman at Nat-West Securities one of the group's brokers who remained upbeat, saying: "There are obvious long-term benefits of a tie-up with Bechtel. Even if today's dividend is on the low side, the company has reiterated its long-term stance that dividend growth will be at least 6 per cent (real) for the next four years."

Aside from the North West excitement, the mood was dampened by half-year results from Welsh Water below market expectations. The group reported a profit of £49.4m after exceptional restructuring charges of £28.5m. One

observer said: "Welsh has been forced to write off more than twice the purchase price of Acer since its acquisition two years ago. That takes some doing." Many brokers said they would be downgrading full-

#### vear expectations. **VSEL** bid fever

Submarine maker VSRL jumped 25 to 1520n as rumours ran round the market that the expected increased takeover offer from electronics giant GEC was about to be unveiled early next week, possibly topping the present 1491p all-share bid from British Aerospace by more than £1. GEC itself dipped 31/2 to 274p while BAe extended its recent strong run. rising 9 to 4520 for a two-day advance of 18.

Insurance sector switching sparked a modest run in Commercial Union, pushing the shares up 8 to 530p largely at the expense of General Accident which dipped 4 to 541p after what was thought to be a cautious note from a leading broking house.

Sun Alliance was the most active shares in the sector shedding 3 to 314p in 3.3m turnover as a large line of stock - 1.7m shares - passed through the market.

A two-way pull in Storehouse, which reported favourable figures on Thursday, saw the shares edge forward a half to 2141/p. NatWest Securities urged investors to buy the shares saying. "The rating still does not reflect the potential. The predictability of the numbers is now being complemented by management stability and aggressive expansion Thut not diversification !."

Concern about Christmas trading continued to weaken several retail stocks. Marks & Spencer gave up 6 to 398p and Body Shop lost 3 to 209p. Dix-ons shed a penny to 185p. Fading bid hopes for Hazel-

wood Food, and nervous trading ahead of Tuesday's figures. left the shares 3 off at 106p. Profits downgradings in Allied Domecq before and after the group reported interim figures that disappointed the market, continued to overhang the stock. The shares relinquished

2½ to 553p. Analysts at NatWest Securities suggested the shares were "fully valued" at current levels 1½ to 20%p.

Tel: 071 493 7050 Fax: 071 499 6279

## **ECHIEF PRICE CHANGES**

London (Pence)			
Rises			
Brit Aerospace	452		9
Bullers	20%	2+	- 13
Edipse Blinds	93	<b>6</b> +	11
French Connecto	257	+	7
Latham (James)	194	+	17
Phonelink	235	+	17
Rothmans Uts	440	+	17
SEET	46	÷	4
SeePerfect	137	+	8
Tay Homes	168	+	9
VSE1.	1520	+	25
Falls			
Bakyrchik	260	_	14
Dillow / B	114		

114 – 9 105 – 33 Merrydown 89 - 9 Shoorite 111%- 1 13% - 6 Welsh Water 617 - 25 but added: "Allied has disappointed the market through

content. It has produced what will probably turn out to be the best performance of its peer group in spirits." On turnover of 24m shares, freight specialist NFC was yes-terday's most actively traded

failures of form rather than

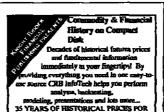
stock as the second leg of a spate of bed and breakfast, or tax-related, deals went through the market. The shares gained 2 to 174p ahead of the company's full-year results, due on December 6. British Airways added 2 to

375p, shaking off worries about an increase in airport tax in next week's Budget and concentrating on the next set of monthly traffic figures. Due December 5, these are expected to show an increase of 5 per cent for November.

Footwear maker Pentland Group gained 4 to 103p in turnover of 9.7m with a large line of stock changing hands. There were two deals of more than 4m shares done at 104p and 105n but suggestions of a strategic move of the cash-rich company (it has bank balances worth half its £370m market capitalisation) were not taken seriously by analysts yester-

Tobacco group Rothmans International jumped 17 to 440p, after reporting a better than anticipated 18 per cent increase in interim profits to £275.9m. Favourable press comment boosted giftware group Bullers, helping the shares add

UK Commercial Property



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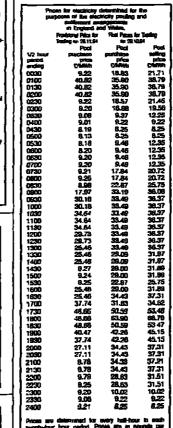
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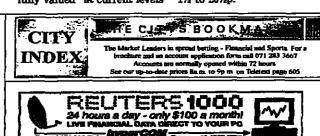


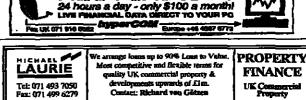
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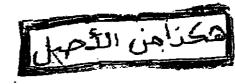
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## FINANCIAL TIMES

Weekend November 26/November 27 1994



High dividends cut British Assets' reserves

## Ivory and Sime plans to reorganise trust

By Norma Cohen. investments Correspondent

and Sime, the Edinburgh-based fund manager. vesterday proposed a reorganisation of its flagship investment trust, British Assets Trust, whose income has been insufficient to pay the high dividends promised to investors.

Under the plan some share-holders will forgo dividends for seven years in return for the right to buy more shares at a

special price.

Ivory and Sime will also reorganise the assets of another investment trust it manages, Investors Capital Trust.

British Assets, which owns 36 per cent of ICT, will sell its stake. Together the two trusts have nearly £1bn in assets, about a quarter of all Ivory and Sime's investment trust assets under

"Ivory and Sime has been the investment manager over the past 10 years and is not entirely free of blame. Performance has not been up to par," said Mr

Serbs push

into Bihac

provoking retaliation by the Serbs. This tactic had eventually

The UN was also trying yester-day to negotiate a ceasefire

throughout Bosnia, a proposal

which was approved in principle

by both the Serbs and the Mos-

However the two sides' cease-

fire terms seemed to be mutually

exclusive. The Serbs wanted an

indefinite ceasefire, while the

government side - wary of freez-

ing the existing battle lines -

called for a three-month truce

Mr Jovan Zametica, an adviser

to the Bosnian Serb leadership, set tough conditions for the

demilitarisation" of Bihac, say-

ing: "We Serbs have the legiti-mate right to defeat and disarm

London, where it owns Morgan

Grenfell, the UK investment

house. It said the Deutsche Tele-

kom share sale would make a

strong contribution to the Ger-

man financial market and the

development of an equity culture. Up to DM9bn of the issue by

Deutsche Telekom, the largest

telecommunications concern in

Europe, will be sold to German

investors. The company also

intends to list shares on Wall

Street, making the choice of a US

bank as joint global manager

**Europe today** 

France and the south of Britain.

Northern Ireland, Scotland, the Netherlands, Denmark and westen

with temperatures of about 20C in

southern Italy and Spain. Turkey and the eastern Balkans will have some

showers, with snow on higher ground. Snow and northerly winds will

continue in European Russia. Northern Europe will have some snow on higher

A strong high-pressure area will move into western Europe from the Atlantic.

ground and in the north, with rain

bringing fog and patchy cloud to England, the Low Countries and heavy rain and thunderstorms. A series of frontal systems arriving from the west will bring rain, sleet and

Five-day forecast

Germany will have rain. The

High pressure over the Gulf of Biscay will bring calm, cloudy conditions to

almost inevitable.

the ... government forces.

Continued from Page 1

Continued from Page 1

worked, they said.

m-led government.

Colin Hook, managing director designate at Ivory and Sime.

Earlier this month, British Assets, which has about 60,000 shareholders, said its net asset value had fallen 7.5 per cent to 102p per share for the year to end September. In that time, the FT-SE Actuaries All-Share Index

Mr Hook said the directors of both trusts had considered sack-ing Ivory and Sime, but had reconsidered after management changes. It is expected that the chairman of British Assets, Mr Roger Inglis, will step down after 37 years on the board.

British Assets's charter promises investors it will pay dividends each year which outstrip above the rate of inflation. In the event, British Assets has only been able to keep its dividend promise to shareholders by eating into reserves.

We are now down to about 47 per cent cover (reserves over dividend expense) and it would only be a matter of time before our reserves are depleted." said Mr appointed fund manager. Under the proposals, 16 per

cent of shareholders must agree to receive no dividends for seven years by converting some of their ordinary shares to a new class of growth share"

Each growth share will come with five warrants, entitling the investor to buy new ordinary shares in seven years at a price equal to British Assets' net asset value at the reorganisation date. Those who retain ordinary shares can expect dividend growth to continue as promised.

Institutional shareholders have already indicated their intention

to take up at least 16 per cent of the new shares. However the proposals cannot be adopted unless 75 per cent of shareholders attending an extraordinary general meeting

next month vote in favour. British Assets shares closed yesterday at 94p, up 1.5p on the day, after 22m shares changed hands in unusually heavy trading. The shares are trading at a discount of 7 per cent to net asset

## Lira falls to fresh low over concern on pension reform

By Robert Graham in Rome

The lira fell to a record low against the D-Mark yesterday on fears the Italian government had given way to union demands on pension reform in order to head off a general strike planned for

There was also increased nervousness about the plight of Mr Silvio Berlusconi, the prime minister, who is due to be interrogated - probably this weekend by Milan magistrates about alleged corruption while he ran his Fininvest business empire.

Mr Berlusconi discussed the options open to himself and his embattled government in a frosty meeting with President Oscar Luigi Scalfaro yesterday. The Telekom role prime minister's supporters claim the president is seeking to claim the president is seeking to accelerate Mr Berlusconi's down-fall and replace him with a gov-ernment of national salvation.

Despite progress during a meeting on Thursday between the government and the unions, the union leadership yesterday refused to call off the eight-hour stoppage. The unions were confident the increasingly weak rightwing coalition would make the sions necessary to let them

call off the strike. A fresh negotiating session is scheduled for Wednesday. This would follow a cabinet meeting called to ensure all partners in the coalition are ready to back the final passage of the 1995 bud-

get through parliament. Mr Scalfaro is understood yesterday to have insisted on the need to pass the budget before any govern-ment crisis comes to a head, and to avoid instability through a clash with the unions.

The concessions centre on removing pension reform propos-als from the budget and finding alternative sources of revenue. However, financial markets were concerned that by treating the issue of pension reform separately the budget would be weakened and the eventual reform could be watered down. The lira slipped to L1,039 against the D-Mark in late Milan trade com-

pared with Thursday's L1,035. The prime minister's position was further weakened yesterday because of his failure to obtain a public declaration of support for Mr Scalfaro. Mr Berlusconi had to deny instead that he was not "at war" with the president.

Also yesterday, newspapers published leaks from an impending decision of the constitutional court on the legality of the 1990 law on television ownership. The court was reported to have con-cluded that Mr Berlusconi's ownership of three commercial channels was unconstitutional. If so, the media magnate turned premier would have to divest at least one channel by 1996.

Man in the News, Page 10 Currencies, Page 17

## Sale of **National** group collapses

that owns National Car Parks collapsed yesterday after its largest shareholders would not accept the final deal.

The sale, to Prudential Venture

Gosling and Mr Ronald Hobson the founders and 72 per cent shareholders of National Parking Corporation (NPC) - valued the company at almost £50m more than PruVen was prepared to

(the report into the company's finances] suggested that the company was anything other than what we had thought it was," said Mr Martin Clarke, a director at PruVen. "We were paying a full price, they wanted a slightly fuller price, and we couldn't make the two meet." PruVen's consortium included

Charterhouse Development Capi-tal, Cinven, Electra, Montagu Private Equity, NatWest Ventures and Royal Bank Development Capital. NPC's shares, which are traded

on a matched bargain basis, fell 100p yesterday to 450p. The shares reached 630p earlier this year on expectations that a deal

and Green Flag, which owns National Breakdown Recovery and Home Emergency Service.

The group published net assets

and analysts put the asset value closer to £400m. NPC made a £50.5m pre-tax profit last year. PruVen planned to bring in Mr Bob McKenzie, former BET finance director, as a new chief executive, but would have left the remaining management structure intact.

continue to manage the group, but it is expected that they will search for an alternative buyer at

# **Car Parks**

Both sides emphasised that the parting was amicable. PruVen remains NPC's second-largest institutional shareholder.

could be worth up to £1bn. NPC's two key operating com-panies are National Car Parks

the car parks are valued at cost

Sir Donald and Mr Hobson will

The £650m sale of the company

Managers and a consortium of venture capital backers, would have been the largest leveraged buy-out in the UK this year, and negotiations had dragged on for more than eight months. It is understood that Sir Donald

PruVen, part of the Prudential insurance group, is believed to have offered about £550m cash, with a further £100m of deferred payments if NPC met perfor-

"Nothing in the due diligence

of £242m as at March 1994, but

The deal was to have been only 50 per cent funded by debt, an unusually low level for a venture capital buy-out. However, Mr Clarke was insis-tent that NPC should have suffi-

cient capital to grow, and would not raise more debt to meet the founders' asking price.

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FT WEATHER GUIDE

THE LEX COLUMN

## Yorkshire pudding

The Leeds Permanent Building Society has proved a misnomer. If its proposed merger with the Halifax is completed it will no longer be based in Leeds, it will cease to be a building society and its name will have proved less than permanent. The reasons for this extraordinary move, which will eventually create a bank with assets of £90bn, are not hard to fathom. The mortgage market is being forced to rationalise as building societies struggle with low volumes of new business Their problems have been compounded by ever keener competition from the banks.

Halifax and Leeds claim the merger should provide the combined group with sufficient size to compete successfully. But size for size's sake is nonsense, and it is disturbing that both institutions play down the scope for rationalisation. They insist, for example, that both headquarters will be kept, redundancies will be voluntary and branches will be maintained. The societies' managements should be mindful of the dangers of failing to cut costs: when the Nationwide and Anglia merged in 1987, there was little rationalisation for several years and consequently a poor return on assets. Members should not become overly concerned about the end of mutual status. For one thing, they will profit personally from the transformation of the societies to a public limited company, as they will receive equity in the new bank. Management, faced with the disciplines of running a quoted group, could hardly prove less accountable than at present. The business may benefit too. The switch in status will allow Halifax to raise funds from wholesale markets more easily to fill the gap created by the deceleration in the growth of deposit-taking. But more freedom will bring greater risks:

Even if members agree to the marriage it may not necessarily be consummated. The merger must clear some tough regulatory hurdles, not least of which is the Office of Fair Trading. Last year the combined group would have had nearly 23 per cent of the UK mortgage market. How-ever, given the few barriers to entering the mortgage market and the opportunities for new distribution methods such as direct selling by telephone, the group's market share

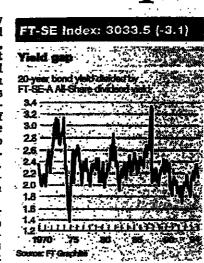
the last time societies were given

greater freedom, they charged into

estate agency with disastrous conse-

quences. So the new shareholders will

have to keep management on a tight



should not prove problematic.
Once the group has been floated with an expected market capitalisation of £8bn-£9hn, it should become a formidable competitor. That will place additional pressure on banks and building societies. A series of further financial earthquakes can be expected in the UK, emulating either this latest deal, or Lloyds Bank's takeover of Cheltenham & Gloucester.

Sentiment has buffeted the London stock market all week. In the first half, the plunge on Wall Street caused the damage - though it is hard to argue that British equities are overvalued. The ratio between bond and equity yields is actually below its average since 1970. Since Thursday, the market has been dogged by political worries. Again, sentiment rather than logic has been decisive. Not only is it highly unlikely that Mr John Major will be defeated in a leadership challenge; even if he were, it is not obvious why the market should care. Next week sentiment could move in

the other direction. True, political rumblings will continue, until it is clear that Mr Major is home and dry on Wednesday. But provided Mr Kenneth Clarke, the chancellor, can make himself heard above the din, he should have good news for the markets when he presents the Budget on Tuesday. He should be able to cut his forecast for next year's public-sector borrowing requirement to £24bn or less. That should be positive for gilts, with equities benefiting in their wake. Investors are already giving the government some credit for its responsible mone-

fiscal policy would reinforce its standing among international investors, particularly given the parlous state of many other governments finances. The real worry is not next week's

but next year's Budget. Mr Major will be tempted to agree a nigh-spending tex-cutting Budget to sweeten voters just before the next general election. But it is not clear that it would be in Mr Clarke's interest to compromise his reputation for fiscal responsibility. The more he can reassure investors on Tuesday about 1995 the better.

#### Deutsche Telekom

The Deutsche Telekom privatication will be big in many ways, not lesst in the size of the fees the investment banks involved in the deal expect to collect. But how is one to explain the astonishing DM450m (£180m) fee "pot" being talked about? Is it the reward for thousands of hours hard work by an army of highly-paid bankers, ana-lysts and salesmen? Or is it a reflection of imperfect competition in the supply of global equity distribution

The answer is probably a mixture of both Certainly, the work put in by scores of banks on large deals like Telekom is mammoth. Banks also need to invest big sums in building a distribution infrastructure that gives them global reach. On the other hand, the international primary distribution business is, by all accounts, extremely profitable. If competition were functioning effectively, one would expect

price-cutting to reduce fees. There are two reasons why this does not happen. First, the industry his an oligopoly: only a handful of banks can arrange global distribution, with the rest providing local feeder networks. Second, though banks fight fiercely for new business, they compete on the quality of their distribution networks rather than their fees. Surely it is better, they tell clients, to receive the maximum sales price for their equity through excellent distribution than skimp on the commission but receive lower overall proceeds. Few clients are able to resist such sales patter.
Still, the banks may not have it all

their way this time round. The German finance ministry has already indi-cated that it intends to drive a hard bargain on fees. Such is the prestige of being involved in the Telekom deal that few banks would be willing to drop out, however low the commis-

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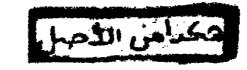
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Choice of income or growth





## Battle of the super-jumbos

Paul Betts explains how competition and new technology are changing the face of air travel

t was a Jesuit priest who introduced me to the art of frequent flying. "Wear a dog collar," he declared one Sunday from the pulpit of the Church of the Holy Redeemer in Chelsea. "It can work miracles." As one who has flown more than 150,000 miles in the past year, I know what he means. Wearing the cloth is only one of many ways to persuade the world's airlines to offer an

upgrade to an improved class.

A word of warning, however.

Not everyone welcomes a priest in the first-class cabin. Dom Anthony Sutch, a Benedictine monk from Downside Abbey in Somerset, had settled comfortably into his first-class seat in full monastic robes, sipping champagne and tucking into the caviar en route to Hong Kong with Cathay

Pacific Airways.
"You hypocrite," said a loud Australian next to him.
"No," he replied. "I had an economy ticket but was upgraded because my brother

ercury

phone 0500 0500 II

Peter is the chairman of the "You are a liar as well as a

hypocrite," snapped the Aus-Frequent flyers have all had to develop their own tech-

niques to survive the rigours of for passengers and heavier modern air travel. But they are having to sharpen their skills because air travel is set to become even more confusing as airlines adapt to huge changes in their market.

Aviation is in a state of revolution as the industry struggles to achieve profitability and adapt to forces of competition brought on by liberalisation and the evolution of a once elitist mode of travel into a mass transport system. Last year, more than 1.25bn people travelled by air. The industry expects the number to double

On the ground, many big airports are already saturated. Since the construction of a new airport takes up to 30 years (for example, Munich which opened last year), some of the busiest airports such as Heathrow or Frankfurt may eventually be forced to turn airlines away.

In the air, the congestion is just as bad. Unless traffic con-trol systems in Europe and other parts of the world can be modernised fairly soon, many of the world's busiest air lanes will find it hard to cope with the expected 5-6 per cent a year growth in traffic.

Joe Rogaly

It all adds up to more delays

costs for airlines, which have accumulated losses of \$15.6bn during the last four years on their international scheduled services alone. Although business is picking up, this year's, profits are expected to be less than 1 per cent of the industry's turnover. While traffic is rising again.

competition is holding down fares and passenger yields. As the business traveller has traditionally subsidised the majority of people who fly economy, airlines have had to offer increasingly complex inducements to lure them into their aircraft. But they have had to go further. To fill their aircraft, they have had to extend these offers to the bulk of their economy passengers. Each carrier wants to fill every last seat on its craft, almost at any price, but on the other hand to maximise overall profits. These conflicting pressures yield increasing opportunities for alert passengers, but plenty of

pitfalls as well. All big airlines, even those which were at first reluctant, have had to introduce frequent flyer loyalty programmes for husiness travellers: many are improving their airport lounge facilities with showers, business centres and, in some cases, fitness centres and swimming pools; others offer free limousine services to airports, luggage pick-up or dropoff services, and valet parking at airports.

These incentives, especially

Airlines reckon that many who have accumulated free miles and other bonuses will never take them up

for high fare paying passen-gers, are likely to multiply because airlines expect that only a fifth of passengers will be travelling in premium class cabins by the turn of the cen-tury. But you need to develop the eye of a detective to make the most of these offers. The inducements vary greatly from airline to airline, and many carriers will volunteer to tell passengers what benefits they can claim only if asked.

British Airways, for example, offers generous free air miles for passengers flying across the North Atlantic, where one of the fiercest battles for market share is being waged between European and US carriers. But on other routes, the number of free miles is much smaller. A full fare paying economy passenger flying from London to San Francisco

flies to Hong Kong he gets 125. Such schemes have helped airlines win business but they are now in danger of becoming a serious embarrassment. Several million seats are now thought to be covered by frequent flyer schemes. If everyone were to take up their entitlements, the industry would be in deep trouble.

receives 750 free miles. If he

Airlines, however, calculate that many people who have accumulated free miles and other bonuses, will never take them up. At present, the redemption rate is around 30-40 per cent, and airlines believe they are safe provided they budget for about 20 per cent more. But there is a dangerous precedent. The troubles of Pan Am in the late 1980s were severely aggravated by the high proportion of passengers taking up free flight entitlements from its bonus programme. The famous airline ultimately went bust. To some extent, the industry

has learnt its lesson. Many of the incentives now offered are designed to encourage people not to take them up. Many air-lines have set a time limit (on average two years) for the redemption of free miles. Many impose restrictions on when you can fly, to avoid swamping their system with free seats. They are also increasingly offering passengers alternative benefits such as sending free bouquets of flowers, reduced car hire rates, free hotel rooms

and other gifts.

The development of big computer reservation systems, providing carriers with up-to-theminute information on the booking situation of any flight at any time on any day, and the growing freedom to set fares is also forcing consumers to keep a tight watch on prices. Airlines call it yield manage-ment. It means they can adjust prices, especially in the high

volume economy cabin, to match demand. As a result, economy class fares in Europe can vary by £100-£150 on any given route. On long haul flights, the variations are even

more pronounced. "If you have time, it pays to shop around," advises an Air France official. "By making a few telephone calls, you can find very attractive deals with airlines as well as bucket shops." The airline scramble for mar-

ket share has produced another phenomenon: overbooking. It was originally a product of the aviation boom of the late 1980s and disappeared as the industry went into recession after the Gulf War. But with the recovery, it is making a comeback. Although airlines are now forced to compensate any confirmed passengers who are denied boarding, some deliberately continue to flaunt the industry's "good airline practices" in an effort to

Continued on Page XVII

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how to deal with that sinking feeling

How to Spend It: on conservatories and home phone services

**Gardening:** Warm blankets for your winter

Fashion: The growing pains of Britain's young designers



Wine: Jancis Robinson picks some Christmas **bottles** 

Travel: the ghosts of America's past XIV

Food & Drink X-XII How To Spend It N-V,VIII-IX lotoring \_ TV & Redio .

**NEXT WEEK** Four pages of Christmas books

## All present and correct

Why we abandon restraint in the use of language at our peril

Tories, shock troops for Micho be politically correct may be good for us, in small doses. This observation is not conventional. What we are supposed to say about the pc tendency is something like "cannot stand them" or "the trouble with lesbians..." or "beware the new censorship" or "this is stultifying orthocent of the electorate. doxy" or, mostly, "yeugh". It is too simple. When good

liberal folk like you and me consider who is decidedly against pc, we begin to see some merit in it. Some of the antis are particularly twitchy. Their knees jerk so far to the Right they look like one of the bent-metal nudes that won the Turner prize this week. Can we walk with such individuals? We should think hard before taking any such step. Our starting text is the memorandum prepared by John Maples for the Conserva-

tive party and leaked to the FT this week. It cites "distrust of politically correct, liberal minded 'do-gooders' as "the main reason not to vote This glowering suspicion Labour".

was measured by qualitative survey research into the opinions of 80 subjects of the Queen who voted Conservative in April 1992 but who now say they might or would not. Who are these people? According to their general range of ing to their series right-wing is safe to descend in print. He views they are right-wing

ael Portillo or Alf Garnett. They say the same sort of thing as do the natural authoritarians identified in the British Social Attitudes survey described here last Saturday. They may reflect the opinions of as much as 40 per

These are in no way pc. Respondents to the Maples memorandum expressed "very right wing views on crime and immigration, deep disapproval of 'scrounging' on social secu-rity" and "deep fear of loony lefties". These are mists and fog patches in which lurk hangers and floggers, xenophobes and homophobes, putative bullies who tremble in fear at changes they do not understand in a world they do not like. We broad-minded cosmopolitans must take care. The party that meets their dreams would probably sweep

the country. Or would it? On Thursday Patrick Nicholls was forced to resign as vice chairman of the Conservatives. The MP for Teignmouth had made an error. In an article in the Western Morning News he described the French as "a nation of collaborators", the Germans as "warmongers" and lesser members of the European Community as "beggars". Mr Nicholls misjudged the level of bigotry to which it offended Conservative political correctness.

Other famous Tories have done the same. Enoch Powell lost his place in the Conservative party following his "rivers of blood" speech. The late Nicholas Ridley had to leave the cabinet after writing an article in The Spectator magazine in which he expressed views of the Germans with which Mr Nicholls might well

Freedom to say what we like does not absolve us from possible consequences

have concurred. This week the same journal carries a letter accusing its editors of being unable to distinguish between "racist cant" and "thoughtful commentary". It is signed by 15 luminaries

of the film world, including Kevin Kostner, Kirk Douglas, Chariton Heston, Frank Mancuso, Steven Spielberg, Barbra Streisand...you name a name. it is there. The 15 object to a recent article by William Cash in which he asserted that most of the members of Hollywood's "New Establishment" were Jews. The editor says that Mr Cash's use of the word "cabal" was "unfortunate", but has otherwise published a prolonged defence of the original piece. In passing, he observes that two years ago Mr Ferdinand Mount, editor of the Times Literary Supplement, wrote that he had found, in The Speciator, articles "of an astonishing sourness attacking the Italians, the French (twice), the Swiss, the Greeks. the Poles, the Russians, the Germans...

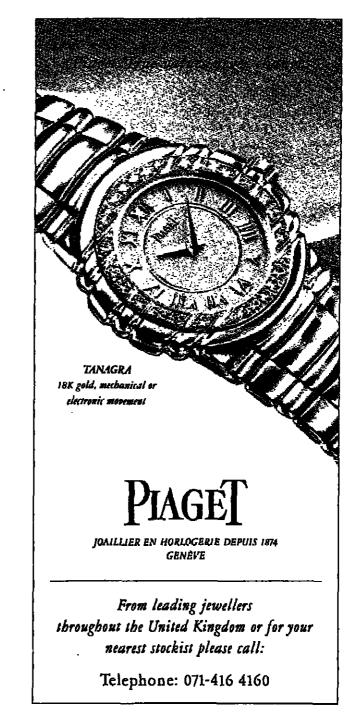
I am not surprised. The Spectator is a stimulating current affairs weekly, not to be missed, if only for its cartoons. I always pick it up first, yet over the years I have felt the same unease as has Mr Mount. The house journal of the British right sometimes appears not to comprehend that there is indeed a potential connection between verbal disparagement and actual discrimination. Freedom to say what you like, which I would defend with the best of them, does not absolve any of us of the need to consider the possible

consequences of our remarks. This is not to say that we should all now become absolutely politically correct. Never. The phrase embraces most of the manifestations of contemporary social ferment, including militant feminism, coercive campaigns against smokers, an illiterate rejection of works by "dead white Euro-

attempts to tailor the English language. You would have to be very intellectually challenged to swallow even a

Yet the motivations of moderate purveyors of pc are not always malign. In Johannesburg in the 1950s there was much debate among white editors about what to call black South Africans. Your political position was defined by whether you preferred the derogatory "kaffir", the condescending "native", apartheid's "bantu" or the civilised "African". The history of the spread of white acceptance of blacks as equals may be traced in the dwindling usage of the three offensive words. in the course of his lifetime. Nelson Mandela has been called all four. The women's movement

could doubtless produce a similar analysis of the etymological history of the feminine gender. Disabled and handi-capped individuals may likewise attest that crude terminology represents the thinking of an unkinder age. I do not propose excessive virtue here. The transference of phrases once confined to lavatory walls to the front of printed T-shirts is an example of what happens when restraint is abandoned. Such obscenity is tedious. But language that



Peter Marsh went for a walk in Docklands and found a world transformed. But have the changes been for the better?

his summer I was given an unusual assignment: to design a series of walks through London's formerly derelict dock sites. The commission came from the London Docklands Development Corporation which believes tourism can lift the Docklands economy. "The trouble is that when visitors get here, they often don't have a clue as to which bits are worth seeing: you'll change that," I was told.

In the past decade, a forest of office and housing blocks has sprung up from the relics of London's old docks. For 150 years until the 1960s, the area was one of Britain's industrial hubs. In the 1930s its docks and associated businesses employed 100,000 people. In the aftermath of the docks' closure in the 1970s the area became a wasteland, but in recent years it has been transformed. Not everyone believes this change has been for

I called on Sir Peter Levene, chairman of Canary Wharf, Dock-lands' £1.5bn flagship development. It has 5m sq ft of office space. Its 800ft high tower, the tallest in Britain, contains enough marble to cover a soccer pitch. Sir Peter looked out of his 30th-storey office and said: "Fifteen years ago Dock-lands was a dump. Now it feels like a district of central London and it's a wonderful place to work."

John Fox, a 37-year-old sculptor, is less upbeat. On the balcony of his 19th floor flat in the unattractive local-authority Barkantine estate, Fox said: "Tve lived here 11 years and watched something new go up virtually every day. A lot of the architecture has been execrable. The developers tried to build a new Jerusalem, but they've created a monument to themselves. What the local people have got out of it is

In 1985, the corporation talked airily about its plans: "Docklands will be rare among new developments in post-war Britain for having industry and commerce, housing and leisure facilities, co-existing instead of being kept apart. In consequence local people will be able to live, work and play in the same area. The sterility of so many developments elsewhere . . . will have no place in Docklands."

The corporation was established as a Thatcherite vehicle two years after the former Conservative leader took power. It effectively became a monster estate agent, buying land either from the private sector or from public authorities and selling it to the highest bidder. It hoped the area would be transformed by private money and the laws of the market. The inflows of wealth would trickle down to the existing population, with new and old interacting harmoniously.

Using a mixture of tax concessions, loose planning controls and umbridled hype, the corporation has levered £6bn of private investment into the area for a public outlay, according to the corporation's figures, of £1.6bn. But little has trickled down. The harmony has turned out to be discordant.

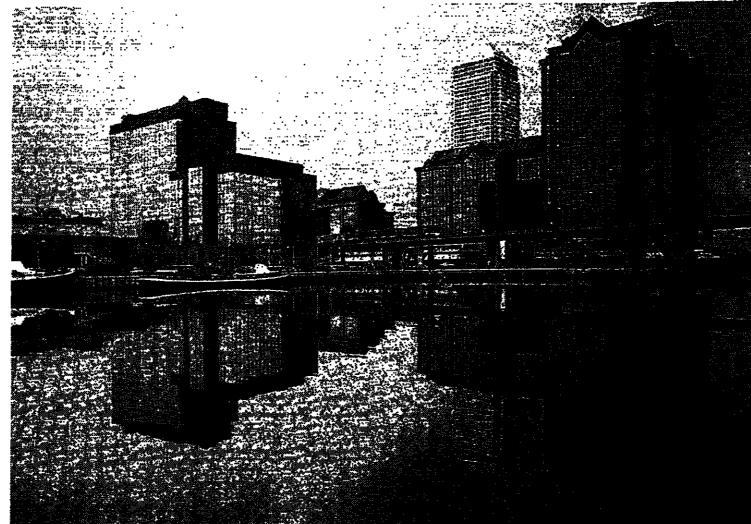
The gleaming Canary Wharf is one leitmotiv of Docklands, but another is Beckton Gasworks, on the eastern fringe of the area. Once the world's biggest gas plant, Beck-ton is now half demolished, a surrealist array of vast concrete blocks leaning at crazy angles and sitting on land grossly contaminated by industrial chemicals. Although plans exist to turn the land into a retail and industrial park, the site is effectively abandoned. Market forces are powerless to bring it into the 21st century.

The brave new Docklands world has turned out to be a mish-mash of ideas and experiences, a mixture of ambition and alienation, achievement and angst, City slickers jumbled with Clockwork Orange. The area has been changed without a lot of thought for the people living there. The changes have been all the more difficult for those residents of the Isle of Dogs, a wedge of land trapped in a loop of the Thames, who have lived there since before the redevelopment.

The people here, mostly former dockers or industrial workers and their families, and comprising probably about a tenth of Dockland's total 65,000 population, have a peculiar insularity. The Isle is cut off both geographically and socially. It has been a recruiting ground for the racist British National Party.

"The Docklands dream was sold to these people on the basis that they would benefit," said Nick Holtam, vicar of Christchurch on the Isle of Dogs. "A lot of them feel let

Such sentiments are evident on the 1960s Samuda Estate, a group of local-authority blocks about a mile from Canary Wharf. Housing officers know of at least three drug



dealers on the estate. Muggings and car thefts are common. Millions of pounds are needed for improvements such as electrical rewiring

and replacing worn-out concrete.

Brian Poole, a Docklands resident for 17 years, sat in his sparsely furnished maisonette on the estate and said: "The new developments have passed the local people by. They've brought in a lot of yuppies, people with mobile phones and Filofaxes who have nothing in common with the area. As for jobs, I hardly know of anyone who's benefited."

Another long-term resident paused while fishing in the Thames. putting down his can of beer long enough to gesture towards Canary Wharf: "It's all shit. I wish the IRA would blow it up."

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Many of the Thames-side views and those of the old docks are magnificent but a lot of the buildings are a messy jumble, in keeping with the unplanned way in which the docks have evolved since the first were dug early last century. In 1879. Joseph Conrad described Docklands as a "a thing grown up, not made" whose buildings were "confused, varied and impenetrable".

The area buzzes with entrepreneurial activity. More than 2,000 companies operate work in Docklands, double the number 10 years ago. Recent incomers include blue chip names such as Morgan Stanley, Credit Suisse First Boston and Texaco. But there is disagreement over how many new jobs have been created since 1981.

The corporation says this is 28,000, doubling the area's jobs total. Critics such as the Docklands Forum, an umbrella group of local community organisations, point out that most of these "new" jobs which have been predominantly white-collar - have been relocations from elsewhere. Allowing for job imports and those lost as traditional industries closed, the net number of new work places in Docklands may only be a few thousand.

Also contentious is how many local people have filled the new employment places: no one knows the exact figure, but it is unlikely to be more than 2,000. Unemployment in Docklands is around 20 per cent, well above the average for London. Michael Pickard, since 1992 the

corporation's chairman, acknowledged the frustration of many local people but said it is difficult to tackle this while many "have difficulty leaping the educational barrier to white collar jobs". The corporation has put £18m into local training projects over the past seven years to supplement the

efforts of other agencies.
Critics say the corporation's efforts on training have been too little, too late - and that it has put insufficient resources into attracting light industrial jobs more directly suited to locals. But there are success stories. Tammy Read is 17 and has lived on the Isle of Dogs since she was five. Ever since she saw Canary Wharf go up, she wanted to work there "but I never

thought I was bright enough Helped by a secretarial course, she now works there as an office clerk for Drake & Scull, a big engineering contractor. "It's a dream come troe," she said.

Janice Devereux, another lecel who is contracts co-ordinator at Encora, a TV and belecommunications company on the Isle of Bogs said many residents take too ross a view of the past, "In the 1960s we had the docks and nothing else. What's happened has been for the better." Sharon Smith, an "islander" who three years ago as better." up A&B Couriers, a delivery service, said: "Sitting back and moshing doesn't get you anywhere."

As for the new wave of Docklands employers, Peter Corfield, a director of advertising agency Ogilvy and Mather and chanman of the 200-member Docklands Business Chili-said more of them will take on locals as they become more estab lished in the area. But Germy Sutcliffe, placement officer at the Docklands information technology centre, a training agency funded by the corporation and central government, said too few of the new employers had tried to understand the school leavers who passed through her centre. "Not enough of them seem to realise we're an East End training agency rather than an extension of Roedean (the girls' public schooll," she said.

Physically and socially, Docklands is a long way from fulfilling some of the early visions. It may take a decade more for the area to gel. "We've seen the start of physical regeneration, but social regeneration will take a lot longer, one corporation official.

Ted Johns, a former Labour comcillor, is a critic of the corporation. But he remains optimistic that the area will come alive: "We've been hit by a maelstrom; it's been a bit like the Blitz. But we're dusting ourselves down and will carry on -

7-7:22

we are that kind of people."

Peter Wade, an ex-docker and, since 1988, community relations manager for Canaxy Wharf, said: "I grew up in the docks but I can't keep the attention of my grandchildren in ships for more than two minutes. We've got to adapt to the new industries - that's the future." ■ A set of leaflets describing Docklands walks is available free from London Docklands Visitor Centre, 3 Limeharbour, London E14 9TJ tel: 071-512 1111 Send an SAE.

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Minding Your Own Business

## The worries of organic growth

Nicholas Lander meets a woman who gave up commuting to sell meat from her spare bedroom

successful years in sales and marketing, Diane Glass decided she needed a change. At the end of a working week she went out and spent £4,500 on a customer mailing list and a large fridge/ freezer. These, she said, were her passport out of commuting.

These were the assets of Meat Matters a company that had been founded the year before by two of Glass's neighbours, mothers concerned about the quality of the British meat they could buy for their children. BES, "mad cow disease", was rife. It seemed to them that the most practical and obvious solution was to establish a link between producers of safe, organic meat and interested, concerned customers such as their families

and friends.

Meat Matters initially did not develop beyond a hobby and when one of the founders decided to move out of London the business was put up for sale. Glass, who had worked for Burton Group, as manageress of Top Shop in London's Oxford Street and as account director with design company Fitch, heard about the sale on a Friday night, visited the owners and bought it the next day. By the week before Christmas 1993. Glass realised that she had built up a substantial business. That week accounts for 14 per cent of the company's annual turnover. To meet all of her customers' orders, Glass, four months pregnant with her third child, seconded Mel, her husband, from his computer business. They spent three days and two nights without sleep packing and delivering orders. Glass hopes that, with better planning, she can avoid a repetition of such "organised chaos" this year when she will be delivering at least 250 organic white, bronze

and Norfolk black turkeys. On the Monday after she bought the company, Glass sat down and started calling round her mailing list. "My previous

experience in sales and mar-

keting came in useful. Running

n August 1991, after 10 direct sales ensured that I past three years turnover has making a sale." Gradually, the business grew

and Glass's week fell into a pattern. Most of Saturday and Sunday were spent on the phone, pursuing orders: Mondays were spent assembling the orders, and Tuesdays collating and passing them on to the five organic farms (all approved by the Soil Association) which are her suppliers. On Wednesday the meat arrived at her house and was repackaged. On Thursday night and Friday, Glass deliv-

Large refrigerated lorries no longer arrive in Glass's street at 5.30am

ered the orders around Lon-don. On Friday night, "I slumped down with a large glass of wine".

The financial side was straightforward. There were no borrowings and few overheads. All the meat - organic or freerange beef, pork, lamb, venison and game - is bought on monthly credit from the farms but Glass is paid on delivery by her custon

The difficult task is convincing the customer to buy, particularly for the first time. "Putting out price lists simply doesn't work because organic meat bred without additives is necessarily more expensive than meat bred on intensive factory farming methods.

"Also most people are used to buying meat over the counter where they can see it. I have to vary my sales pitch each week, build up a relationship over the phone with all my customers, which I enjoy enormously."

In 1992 a competitor, Natural Foods, collapsed and Glass was able to buy its mailing list for a shop instilled in me a respect 2500 which immediately doufor customers. Working later in bled her turnover. Over the

didn't become despondent even risen steadily from £58,000 to after making 50 calls without \$25,000 to its current \$122,000 maintaining an 18 per cent gross profit margin

At first, Meat Matters was based in the Glass's bedroom on a spare table with a separate phone line and answering machine. By the beginning of 1994 it had outgrown the Glass household and Glass struck up a working relationship with a local butcher. He takes all the deliveries into his shop and prepares the orders to Meat Matters' specifications. This allows Glass to buy larger cuts of meat which means some savings. In turn, Glass pays the butcher £200 per week if weekly sales are more than £2,000 or 8 per cent of sales if

they are less than 22,000. This means large refrigerated lorries no longer arrive in Glass's street. "My neighbours have been very supportive.
Only one complained, daite
understandably, when a delivery arrived at 5.30am just before Christmas," she said.

Customers' orders are delivered by four part-time drivers - two actors, a nanny and a student - which leaves Glass free to make the phone calls and plan the company's future and her family's weekends. "We tried to broaden our

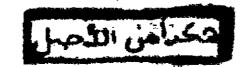
ing on two agents in Oxford and Twickenham but this proved a costly mistake. "I'm against advertising because it isn't effective for what we sell London has the right number of well-informed customers but delivering to

customer base last year by tak-

them all on time is a major problem." The success of Meat Matters has changed the way the family lives. "Weekends are a nightmare as I find it difficult to switch off and this is when I must call my customers. But I do get to spend half terms and holidays with the children which I didn't before. And I love selling meat that is safe and good for my customers

Own boss." Meat Matters, 67, Woodland Rise, London N10 E11N. Tel:

and, above all, I love being my



PERSPECTIVES

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t was a grim coincidence that the first comprehen-sive exhibition of artefacts recovered from the Titanic opened at the National Maritime Museum in Greenwich a few days after the sinking of the ferry Estonia.

The fascination surrounding the loss of the supposedly unsinkable Titanic, on its maiden voyage, was overshadowed by the shock of the sinking of a modern ferry at a cost of more than 900 lives. The Titanic went down after it struck an iceberg off New-foundland on April 14, 1912. Only 705 of the 2,228 passengers and crew survived.

Timing apart, historians and lels between the two doomed vessels. Both were designed and built to prevailing standards but both were found

wanting.
The Titanic was launched when the number of lifeboats carried reflected the cubic footage of the vessel devoted to passenger accommodation rather than the number of passengers and crew. Its designers added a 12 per cent safety margin to the minimum required by the Board of Trade but there were still only enough lifeboats for half those on board.

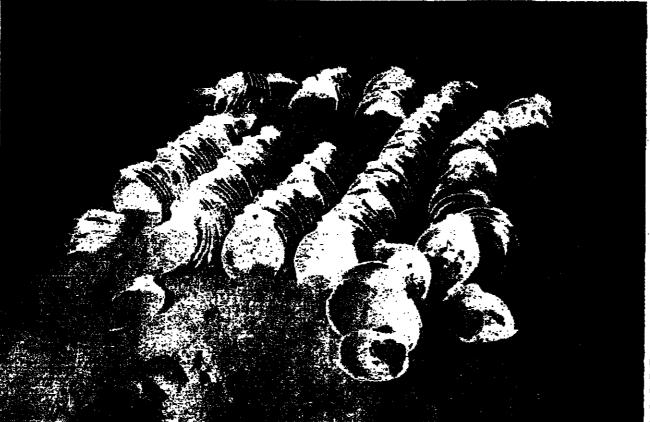
A more comprehensive subdivision of the Titanic by inter-nal bulkheads - a design issue which is again being hotly debated after the Estonia sinking in October - might have saved the liner, some experts think.

For 73 years the Titanic lay undisturbed, up to two miles down on the floor of the Atlantic Ocean. The prospect of ever finding the vessel and answering the unsolved mysteries of its sinking appeared remote. But in 1985 the wreck was discovered by a joint

French-US expedition. RMS Titanic Inc, a New York-based company, was declared "salvor in posses-sion", meaning that it had unique rights to explore the vessel and raise material.

The company has since carried out three expeditions, the most recent in July, using a submersible provided by the French Oceanographic Research Institute. It has raised a total of 3,600 artefacts. RMS Titanic is committed to raising material from the

Titanic and putting it on general display. It is pledged not to sell any of its finds. Some 150 objects are on dis-



## Thinking the unsinkable

Charles Batchelor considers the modern parallels exposed by an exhibition about the Titanic, which sank in 1912

play at the maritime museum, include a ship's porthole, metal deck bench ends and a letter from a manufacturer lamenting the demise of the feather boa as a fashion accessory.

Video footage taken from the submersible shows the ship's rail, chandeliers hanging in a long-abandoned state room and racks of plates.

The chance to stage the exhibition was offered to the mari-time museum "out of the blue" by RMS, says Dr Eric Kentley, a curator.

There are no plans to take the exhibition to any other museums around the world though the maritime museum and RMS are working on designs to establish a permanent museum to display the material.

The Japanese meanwhile, have announced plans to build a full-scale replica of the Titanic to act as a floating hotel and conference centre.

All the details of its interior would be replicated although there would be no engines or steering gear. As the Titanic sank into the

darkness of the Atlantic it broke its back and landed in two separate sections. When it hit the ocean floor the bow section ploughed into the mud, obscuring to this day the details of how large a gash was caused by the iceberg. "The technology exists to

remove the silt from the bow section but the problem is to find the capital to get the equipment down there," says John Eaton, a historian with an interest in the Titanic going back more than 45 years.

Recovery of material has been limited to the sea around the vessel. A decision to treat its interior as a grave site has meant that no attempt has been made to raise artefacts from inside the hull. Although very few survivors of the sink-



ing are still alive "people are very sensitive about anyone going into the hull", comments Dr Kentley. Eaton confesses to finding this ban "very frustra-

Although the intense cold, the absence of light and low oxygen levels on the ocean hed have slowed the deterioration of the Titanic, chemical attack and sea-bed bacteria have eaten into the metal, staining many objects black.

A comparison of the photo-graphs taken in 1986, and those from a descent in 1993, show a marked deterioration of the wreck, says Eaton. Dr Kentley thinks there may be as little as 10 years left to continue work on the hull before it disinte-

RMS and its backers are keen to raise more material from the wreck. However, even if a sudden deterioration was to hait work, enough has been raised to create a powerful reminder of the fate of the Titanic, and any other vessel and its crew which underestimate the power of the sea. The exhibition, says Dr Kentley: "Is a timely reminder that the sea signs no treaties." ■ The Wreck of the Titanic. Until April 2, 1995.

The Nature of Things/Clive Cookson

## New conclusions from old studies

medical researcher working on a controversial issue - say, the effect of diet on cancer or heart disease. Several clinical trials have been published, giving contradictory results. How can you make the biggest impact in the field?

The traditional way would be to raise millions of pounds worth of research grants to carry out the definitive study. with a better procedure and more participants than any previous trial.

An alternative approach is to gather all your predecessors' work and re-analyse their results, using a powerful statistical technique known as meta-analysis. This could lead to a clear conclusion much more quickly and at far lower cost

than organising a new study.

The foundations of metaanalysis were laid in the 1970s by epidemiologists such as Richard Peto in the UK and Thomas Chalmers in the US. They were looking for a path through the confusing thicket of data thrown up by the proliferation of clinical trials.

Meta-analysis involves combining the results of separate studies carried out to answer the same question - for example, does eating garlic reduce the risk of a heart attack? The reason for pooling data is to iron out the chance fluctuations which can obscure the significance of individual

The conventional target for achieving "statistical significance" is a probability of more than 95 per cent that a result was achieved through the drug or activity being studied, rather than by chance. If the effect is real though fairly small, it may not show up in 20 studies with 300 people but it should give a statistically significant outcome in a combined analysis of 6,000 people. A systematic review of all clinical data, including metaanalysis, is quite different to the informal reviews tradition-

ally published in the medical

literature. These often miss

important conclusions by is an enormous task; there are looking at the evidence as a collection of individual studies and dismissing the ones that do not have a statistically significant outcome.

Meta-analysis made its first big impact in 1985 when Rich-ard Peto and Rory Collins of the ICRF Clinical Trials Unit in Oxford transformed the treatment of breast cancer by showing that a drug called tamoxifen improved five-year

survival rates. In the cardiovascular field, it was not until 1988 that the medical profession recognised the ability of thrombolytic "clot-busting" drugs such as streptokinase to save the lives

If someone had done the meta-analysis, it could have saved half a million lives

of heart attack patients. By then, 70 separate clinical trials had been carried out on a total of 47,000 patients.

Yet statisticians now calculate that there had been enough clinical evidence to prove the effectiveness of streptokinase as early as 1973, when 10 trials had taken place with 2,500 patients - if only someone had done the metaanalysis. The introduction of routine thrombolytic therapy then, rather than 15 years later, would have saved more than half a million lives world-

It would be wrong, however, to give the impression that meta-analysis is an easy option. The first essential is to draw up clear objectives for the review, with criteria for including or excluding studies. Then you have to track down the data, which may be the hardest job of all. Despite the spread of computerised data-bases, conducting a worldwide search for all published studies

an estimated 20,000 medical journals worldwide, many in foreign languages.

But serious reviewers must also search for unpublished studies. Otherwise the metaanalysis may suffer from "publication bias" - the tendency for researchers and journals to publish studies with a positive outcome, in preference to those that are inconclusive or nega-

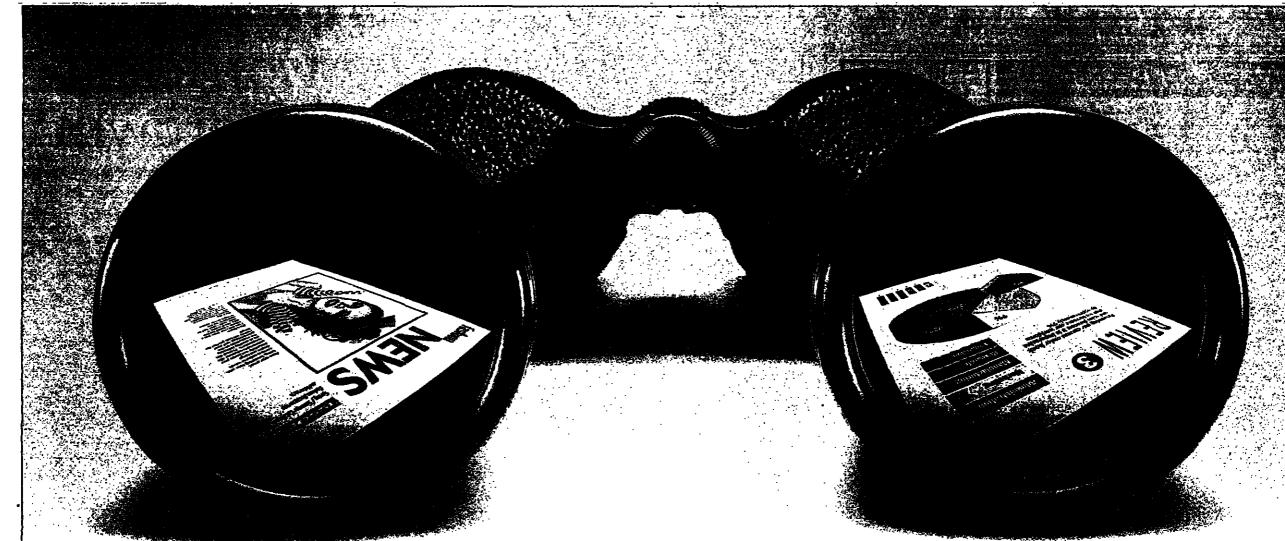
Deciding which studies to include or exclude is fairly straightforward when the meta-analyst is looking at the effect of drugs. Then he or she can restrict the field to "randomised controlled trials" in which the subjects are divided at random into two groups; one takes the drug and the other a placebo, and ideally neither the patients nor the researchers

know which is which. For "observational studies" examining for example the impact of diet, smoking or environmental factors on health, the eligibility criteria become harder to define and implement. And when metaanalysis moves away from health to the social sciences there is great scope for ambi-guity and confusion.

Social scientists are turning to meta-analysis as a way of settling issues ranging from the impact of pre-school education on later academic achievement to the effect of job training on unemployment. But its use here is still controversial Some argue that individual studies are too dissimilar in methodology and quality for

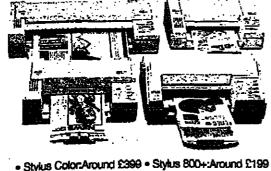
the results to be pooled.

Most health researchers, however, have embraced metaanalysis as a powerful new tool for fishing original conclusions out of old data. At the same time, they point out that metaanalysis does not remove the need to refresh the pool with well-designed new studies, such as the big Scandinavian trial of cholesterol-lowering drugs published last week. Medical progress will require a co-ordinated combination of the two approaches.



## Take a closer look at Epson inkjet quality.

World's First 720x720dpi Colour Inkiet.



Stylus 400: Around £159
 Stylus 1000: Around £389

*Stylus*. Inkjets

At home or at work, what do you need from an inkjet printer? Quality, naturally. But do you have to pay more for professional results and performance?

Award-winning Epson Stylus inkjets have been acclaimed again and again for no-compromise quality and good-value prices. The new Epson Stylus Color, for example, is the first inkjet to achieve 720x720° dots per inch resolution. That means near-photographic colour printing ('remarkable at such a low price' - PC User). Custom Windows drivers in the Epson Stylus Color and the mono Epson Stylus 800+ give you better, faster control of your print jobs and the speed to make short work of large documents. They also produce smoother. graphics - with no unsightly banding.

Alternatively, the low-cost Epson Stylus 400 offers the quality and features of many higher-priced inklets. The wide-carriage Epson Stylus 1000 provides better coverage of A3 pages. All the printers come with built-in paper feeders, Epson's fast-drying links and low-cost ink cartridges. Permanent piezo printheads save on energy and consumable use, while keeping running costs low.

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## Direct deals for phone addicts

Judith Gubbay calling...what service do you require?

breaks loose from the home and the office, the services you can call on it

It is 9pm on Sunday. You have just returned home after two weeks of sun-baked idleness. What is the first thing you do? If you are anything like Jane, my friend, the first thing is to open your mail. The

second is to ring your bank. Jane is a worrier, and one of the envelopes she opened suggested that her finances were not as well-ordered as she thought. "I knew I woudn't be able to sleep until I'd sorted it out, so I picked up the phone."

Jane's call was to First Direct, the pioneer among tele-phone banking services. Had she been feeling frivolous - or more anxious about the contents of her wardrobe - she might have rung Next Directory or Racing Green for a copy of their new catalogues.

She could have called Rail-Direct, to order train tickets for her trip to Leeds at the end of the month, or checked on how her shares were doing, or booked a seat for the Tuesday night showing of The Brow-

ning Version. Ordering goods by phone is hardly new: UK consumers have been summoning pizzas and Chinese meals to their homes for years. What is new and growing fast - is the number and range of services available that bypass the shop-front and the middleman. using special free or cheap phone numbers so that it does not matter (to you) where you are calling from. Many are open most, if not all, hours. These, coupled with increasingly sophisticated information and entertainment lines, for which you pay a premium, may transform UK shopping

The Henley Centre's Teleculmore than 50 per cent of people in the UK are using the phone to organise their financial affairs. Some 39 per cent use it to buy from catalogues. BT's own research suggests that travelling, parking and queuing are turning consumers from conventional shop-

First Direct customers' experiences bear out the other main attraction. "I enjoy being able to pay my bills at odd times of the day or night -whenever it suits me," says civil servant Steven Jones. First Direct confirms that Sunday evenings are a peak busi-

Drawbacks to telephone shopping seem few; best advice, however, is always to keep a note of your transactions and orders.

No directory of these services exists - so here, for the benefit of the unconverted is a

selection of telephone services:

the telephone FREE-TO-YOU PHONE CALLS Many companies charge nothing if you want to order a catalogue. They quote a special FreeFone number, starting with 0800 (the Mercury Freecall prefix is 0500). The Free-Fone numbers listed here are for placing orders (have your credit card details handy) and

Lands' End: 0800-220106.

"Direct merchants" of American-style casual clothing; Twenty-four hours, seven days a week (except Christmas Day).

Laura Ashley by Post: 0800-868100.

Clothes and home furnishings from special catalogue; same number for catalogue itself. Seven days a week, 8am-

RailDirect: 0800-450450. Tickets, reservations, price

and timetable information; journeys between any UK stations, minimum ticket value £10, posted first class within 24 hours. Seven days a week. 8am-10pm (except Christmas Day or Boxing Day). Talking Pages: 0800-600900. Computerised directory of

advertise. Be ready to note the numbers. Seven days a week,

suppliers of goods and services,

nationwide, who have paid to

UCI cinemas: 0800-888907. Seat reservations at any of UCI's 26 cinemas; 40p credit card booking charge; collect tickets at cinema. Phone 8am-11pm (to midnight, weekends). Out-of-hours answering ser-

LOCAL-RATE SERVICE

First Direct: 0800-222000 The original telephone banking service (now widely imiture 2000 report shows that tated). Many add-ons to straight current account handling, including ordering foreign currency couriered to your door. All banking services (on 0345-100100) 24 hours a day,

> NATIONAL SERVICES. LOCAL RATES

With some centralised suppliers, you pay only the local call rate, irrespective of where you and they – are in the country. These Lo-call numbers have the 0345 prefix (Mercury's equivalent, LocalCall, is 0645). Some of these examples use the same number for ordering their catalogue or brochure and ordering goods; as before, expect to give credit card details if you want to order.

Dillons Direct: 0345-125704. Order books for delivery by courier within 15 days from Dillons' catalogue (from shops or this number); delivery charge £3 for orders under £35, free above £35. Phone between 9am and 5.30pm; answering machine for out-of-hours orders (leave card details, own phone number).

The Music Store: 0345-123123. CDs, tapes, LPs, post and packing free; computerised catalogue means they can track down what you want and advise on specific recordings delivery within seven days:

8am to 8pm, seven days a

Next Directory: 0345-100500. Pioneering direct seller of clothes, furniture, accessories: £3 for catalogue (unless you send it back); courier delivery within 48 hours (large or valuable items may be slower); delivery charge £2.50 per order. Seven days, 8am to 11pm,

Portland Holidays:

answer service for out-of-hours

0345-951000, Biggest direct sales tour operator in UK; this number is for the brochure (your nearest regional number, at normal rates, is the one for information, advice and to make bookings over the phone, 9am to 5.30 weekdays, 9am to 3pm Saturday). 9am to 5pm; answering machine for out-of-hours brochure orders. Eclipse Direct is

Racing Green: 0345-331177. Catalogue-based classic casual clothes and accessories: same number for catalogue itself: Parcelforce delivery. Seven days a week, 8am-10pm.

FULL-RATE

Some of the businesses that deal directly with their customers by phone, cutting out agents brokers and the like. say that the main benefits apart from convenience - is the lower cost.

With the following organisations, you pay the full price of the call, so have your paperwork to hand before you

Direct Line insurance: 081-686

2468. Car and home insurance; quotes given, policies taken out over the phone; other phone numbers for regional offices outside London area; payment by credit card, direct debit, Switch. From 8am to 8pm on weekdays, 9am to 2pm Saturday. Guardian Direct is

Body Shop by Mail:

Catalogue toiletries; credit card telephone orders. Weekdays, 9am to 5.30pm, answering machine for out-of-hours

Thornton's Choc Express

I DON'T

TONE ...

LIKE YOUR

0763-241444. Gift confectionery sent by post to the address of your choice; order before 3.30pm for next-day delivery; ring this number for price-list/order form and to place credit card orders. Seven days a week, 9am-6.30pm, answering machine out of hours.

There are premium-rate phone information and entertainment services to suit pretty well every taste - up-to-the-minute cricket scores and racing form guides to weather information and the FT's own Cityline.

Now that the 0898 numbers (and their Mercury and Vodata equivalents) have been cordoned off from all but those who want "adult" services (vou cannot get through without a personal identification number), almost all the 20,000 odd nium-rate services are confined to BT's 0891 (and its experimental 35p-a-call 0894), Mercury's 0839 (and its lowertariff 0881), and Vodata's 0336. If you do not want your phone used to call premiumrate services, ring 150 (free), and ask for the call-barring ser-

Travellers' Healthline: 0839 337733.

Pre-recorded information from the Hospital for Tropical Diseases; interactive service, allows you to select which parts of the message to listen

Britain's Best Traditional Sofas

Up to 40% off stock sofas and armchairs, and 20% off furniture orders.

SATURDAY NOVEMBER 26 - DECEMBER 10 PETER DUDGEON

BROMPTON PLACE, KNIGHTSBRIDGE (80 YARDS WEST OF HARRODS)





the would be sophisticate is a set of make-up brushes, Anyone who has ever had a professional make-up knows that brushes are the basic tools. Maggie Hunt, one of

Britain's leading make-up artists, creator of looks for Naomi Campbell, the Princess of Wales et al, has put together a set of brushes, each designed to do a specific job. To the uninitiated, 11 differ

ent brushes may seem a trifle excessive, but Maggie Hunt is convinced that the properly made-up face requires them all from eyebrows to complexions, from lips to eye shading, brushes are the way to get the truly finished look. Handles are of painted wood,

the hair fine quality and a set costs £95, including a smart leather wallet. A leaflet with a step-by-step guide shows the professional way to use them. Available from Harrods and by post (£2 extra for mail order) from Lion Brush, Planet Place, Killingworth, Newcastle upon Tyne, NE12 0RZ. Tel: 091-268

Lucia van der Post



## Wipe away the tears

hen Max Factor took the last solid 📱 The British Designers Sale has become a block mascaras off the shelves, many women were disappointed.
A few, possibly, shed a blackened tear at the loss of the peculiar "spit and slick" ritual which allowed them to control exactly how much mascara they applied to their lashes.

Chanel has come to the rescue with a 1990s version of the traditional cake mascara. Le Regard (£29) is what Chanel terms monochromatic make-up; it contains an eyeshadow, eyeliner and mascara in one sleek compact – and the right tools to create the smouldering, smoky eyes that the Chanel models peered

through on the catwalk. To complete the look, false eyelashes with a difference are now available. These "One by One Semi-Permanent Eyelashes" (£3.95) have nothing in common with the 1960s variety that left women looking heavy lidded and drowsy. The new eyelashes can last up to three weeks and are light, waterproof, and can be used happily by contact lens wearers. Carnel Allen fixture in the shopping lives of many a chic lady who lunches.

Here the canny shopper often finds her designer numbers at sharply reduced prices. Unfortunately, membership of the list for the women's sale is full but there is a menswear version of the designer sales at which would-be snappy dressers can search for bargains. More than 25 top European designers (no. we

are not allowed to mention names but they are English, French, Italian, American and German) will be selling samples, ends of lines and surplus stock at greatly reduced prices - anything and everything from suits, jackets, ties, socks, shirts and overcoats plus (curiously) a selection of silk lingerie to gladden the eye of women who accompany the men.

The men's sale takes place twice a year and the next is on Saturday December 3 from 10am to 5pm at the Kensington Hilton. There is a £2 charge at the door and only cash or cheques (no credit cards) are accepted.

## Make way for Puffas

Tirst it was the Barbour jacket that made its way from the shoulders of the hunters and shocters of the world to the city movers and shakers.

quilted Husky jacket to make the transition from stablewear to status symbol. The Italians. in particular, embraced it wholeheartedly. They wear Huskies over their tailored jackets, keeping the chill at bay in smart street cafés.

Now is the turn of the superpadded Puffa to leave the sta-ble and rub shoulders with its catwalk imitators.

Once best-known as part of the Michelin man, the padded reworked by top flight designers from Donna Karan to Issey Miyake and is now found in every high street store. The trendiest (and cheapest) are from Warehouse (£69.99) and Miss Selfridge (£34.95) while

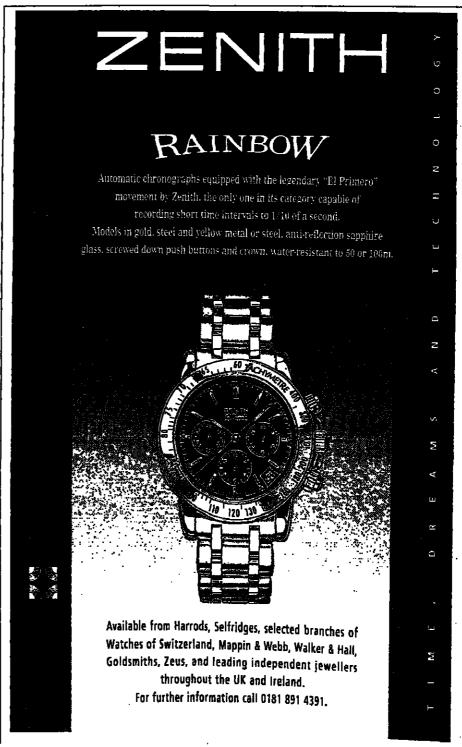
Next has a good one with

detachable sleeves in its catalogue at £69.99.

Those who prefer the original Puffa will find it in bright colours, as well as the traditional dark blue, at around

But the most exclusive and sought-after by far has to be the silvery, waisted version by Gucci at £350. Definitely more at home on the back of a Harley than a horse.

Carmel Allen





## The conservatory as a year-round asset

Lucia van der Post on the joys of spending the winter under glass

he conservatory first became popu-lar with Victorian industrialists who, as they began to travel, developed a passion for exotic blooms and exuberant foliage and needed to devise ways of nurturing these delicate plants through Britain's dreary winters.

Glass-houses were the answer and as glass became less and less of a luxury, as techniques for casting and building with iron developed, their popularity spread among the bourgeoisie.
As an essential ingredient in

Victorian romance (how many love affairs began to bloom behind the potted palms?) and a vital part of the social life of their day, they survived well into Edwardian times.

However, as they became more accessible and attached to smaller and smaller houses, they became too workaday for the rich and gradually fell out of favour.

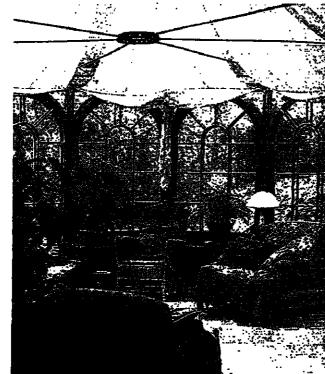
It was not until the mid-1970s that interest in building conservatories began to revive. Peter Marston, who started a company that is now called Marston & Langinger in the early 1970s, says that when he first started purveying the notion of conservatories he often had to explain "that we did not build music schools" so very unfamiliar had the idea

It remains as true now as it was in the last century that conservatories come into their own most magically during the long, grey winter months. And they offer us a means of making indifferent summers bearable, with the illusion of being in a garden, surrounded by lush greenery.

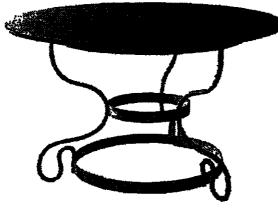
Conservatories also make entrancing settings for parties - summer or winter - and now that they are once again in fashion (after the en-suite bathroom and the hand-painted kitchen, a conservatory, it seems, is next on the home improvement list) there is a

or Puffa

1 100



Room for all seasons: warm tones, rugs, throws, cushi-



proliferation of accessories everything that the welldressed conservatory requires.

For those thinking of embarking on building a conservatory or for those who already have one but are looking for ways of improving

it, Peter Marston has written an authoritative guide: The Book of the Conservatory\*. He also has some excellent ideas for making them an all-yearround household asset.

The most important relate to double-glazing and heating, tropical illusion in the midst of a British winter. The Victori-ans went in for vast boilers and radiators and seemed to have been blessed with a happy unconcern for heating

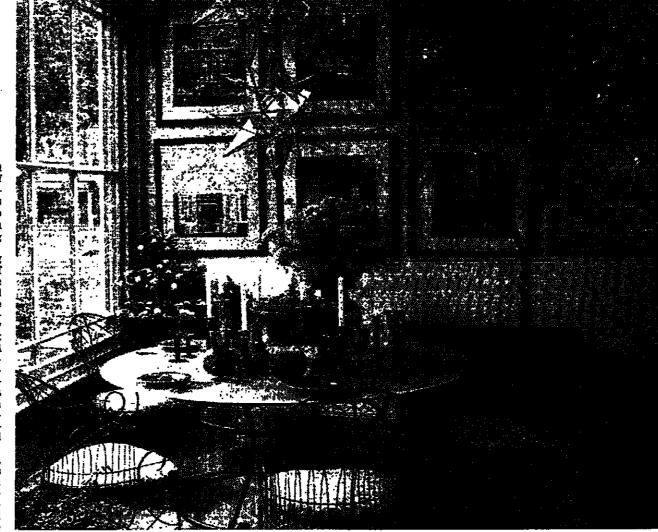
These days double-glazing and insulation are the key, if beating costs are not to be astronomical. All that should then be required is a simple extension of the domestic cen-tral heating system - ideally with separate controls so that the conservatory can be heated independently at night. Underfloor heating is ideal and Mar-ston & Langinger has developed a system which uses extremely elegant cast-iron floor grills, wonderfully remi-niscent of the intricate ironwork that so characterised those first Victorian designs.

As the winter nights set in, the sense of summer coolness and light can be replaced by a cosier feel with rugs on the terracotta or stone flooring, cushions and throws can be added to sofas and chairs (see the photograph here) and blinds Which in the summer keep out the glare can, in winter, be used to keep warmth in.

For winter evenings and parties, there is nothing more beautiful than candlelight but lanterns are probably safer and there are plenty to choose from. Peter Marston developed a range of furnishing accessories specifically for conservatories, because so many of his customers found that once they had the structure there was no single source of appropriate accoutrements.

The Marston & Langinger shop at 192 Ebury Street, London SW1 is one of the best places to start looking. Here are lanterns of every kind, from the pumpkin-shaped one photographed here to the hanging star or the Moorish-

The shop also offers the wickerwork furniture that seems appropriate for a light-filled setting, with the throws





ught-iron dining-chair in dark green with tie-sided cushion, £180

and cushions that will transform it in winter. But for an inspirational glimpse of the extra dimension that a welldesigned and enchantingly furnished conservatory can add to living, I recommend Peter Mar-



Replica of a 19th century French

tures are inspirational. They feature every mood from sunny cool and tranquil through to exotic, rich and

Particularly useful is the glossary of suitable plants and how to look after them, the



practical advice on the things you really have to get right from the beginning - such as flooring, heating, double-glazing – and the lists of designers. builders and suppliers of furniture, jardinières, hanging bas-kets and all the other trap-



Wall-mounted Davey lantern, hand

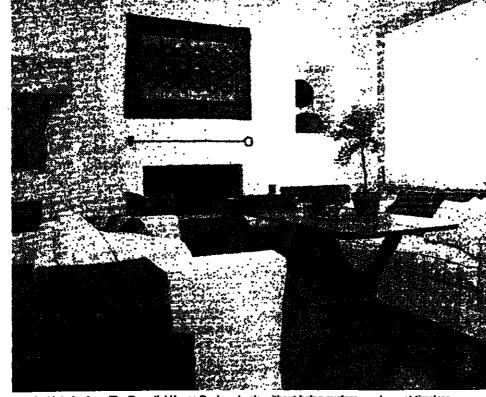
pings that the new owner will find himself obliged to buy.
\*Published by Weidenfeld &
Nicholson, 176 pages, £18.99, available by post from Marston & Langinger, George Edwards Road, Fakenham, Norfolk NR21

## Home in on the basics

Lucia van der Post on Conran

hen the House Book by the then Terence Conran came out in 1974 I was in the midst of doing up a terraced house in London. I and most of my friends, seized upon it with relish, for here at last was a book that seemed to speak to us. Here was a book that addressed the everyday problems of making a house work without the irritating assumptions so prevalent in the glossy interior magazines of the day that we either aspired to images of ancestral grandeur or suburban cosiness. It offered a vision of a con-

temporary way of living that related to our lives and incomes. But above all it showed us the virtues of simplicity, of investing in basics



sensible is the advice.

basics were right.

take care of itself provided the

In some ways there seems scarcely any need to update it,

so classic, so fundamentally

But Sir Terence has just pro-

house, of getting the lighting right, the heating, the flooring first. Style, or the addition of the more movable elements such as furniture, curtains, pictures, lamps and all the rest, ran the subtext, could almost

The Carrosse Collection:

duced a bigger, equally well-il-lustrated 1994 version which he calls The Essential House The fundamental philosophy has not changed. Here, for instance, are a couple of paragraphs from the introduction: "A home is greater than the sum of its parts and getting the practicalities right is only half of the story. For most people, the special significance of 'home' lies at a deeper level. Home is where we feel at ease, where we belong, where we

> "Investigating these basic ideas relegates 'style' to something of a side issue. Fashions in decorating fluctuate like hemlines, whereas notions of comfort and intimacy date back hundreds of years. This is not to say that style isn't fun or even useful. But it is ultimately more important to find out what you really like, the unique combination of space, light, colour and materials which will continue to refresh

your spirits long after the lat-

This book is a manual which

est 'look' has had its day."

can create surroundings which

reflect our tastes and plea-

sures. Creating a home has a lot to do with discovering

those elements that convey a

would be invaluable to any body setting out on the adventure of creating a home. It is illustrated quite beautifully with pictures that are imbued with a relaxed and undidactic approach to matters of taste and style. If they have a common thread it is of light and air and an unstuffy approach to the business of turning a

The pictures show, better than almost any words, that there are no "right" and no wrong" ways to furnish. Instead what we have in the late 20th century is as vast a choice as it is almost possible to imagine. But quite apart from the

house into a home.

inspiring pictures, practical issues are tackled - from how to make a kitchen work for you (and the kitchens featured ranged from small and minimalist to a large family livingroom-cum-kitchen) to how to significant spatial change.

Even for those who already have houses they are satisfied with, this book has much to offer. Its directory covering the practical subjects such as lighting, flooring, plumbing, paints and plaster is filled with useful information, and the list of useful addresses for everything from brass door furniture to architects and security alarms makes the book worth its cover price alone.

The Essential House Book by Terence Conran, published by Conran Octopus, 272 pages, £25.



## LE TEMPS CHANEL

IB CARAT GOLD WATCH BRACELET OF CULTURED PEARLS ON FINE GOLD CHAINS SWISS CRAFTSMANSHIP

MAPPIN A WEBB REGENT STREET LONDON WE GEORGE PRAGMELL LTD JEWELLERS STRATFORD-UPON-AVON WATCHES OF SWITZERLAND I OLD BOND STREET LONDON WI WATCHES OF SWITZERLAND IT KING STREET MANCHESTER The up-and-coming get down-to-earth A reputation for bags of talent – but an attitude problem. Avril Groom reports on the growing pains of Britain's young designers

Hope, Amwell Street, EC1. Earrings, £10.95 from Fer

ng British designent and the whole fashion world as "attitude". The combination of creative over-confidence and a cavalier approach to production and deliveries, in an industry notoriously run on a shoestring, was for years the despair of backers and store

ers during the 1980s will no longer touch them, preferring to spend his money on established foreign names who deliver wearer-friendly clothes when they promise them.

Perhaps it is time for him. and others of his ilk, to look again at British talent. Hard economic realities have created a new attitude of down-to-earth

discipline among out with a rigorous, profes-sional approach while others acknowledges it. have learnt by bitter experiwhen a student designer could sell an outrageous graduate collection straight off the college catwalk and not worry about details such as production schedules are long

The best deserve an ovation One wealthy businessman for achieving a near-miracle. who invested in British designwell-made clothes with enough wit and originality to attract the sophisticated woman with a deep pocket, even when her eye is jaded by an overcrowded design market. And despite tight cash-flows, they deliver on time and up to quality.

None of them finds it easy. Listening to their stories, one wonders what would possess

Waterproof steel watches, for ladies and gentlemen, with an interchangeable steel bracelet and leather straps, from £1100.

JEWELLER SINCE

**BOUCHERON** 

180, New Bond Street - London W1Y9PD - Tel.: 071 493 0983.

up-and-coming. Some have set design business in Britain nentag Mulligan and Paul Frith have gone, in four seasons, from young unknowns to seeing their names in lights at top London stores - Liberty, Harvey Nichols and Way In at Harrods have been particularly

> first collection by paying for the fabric. Owen Gaster's first full collection so caught the imagination of Japanese buyers that its proceeds have financed the next one.

Other young designers, however, suffer from problems and prejudices. Provincial British shops are still made nervous by comments such as the one

Liberty sometimes helps designers offset the cost of a from a New York buyer who recently declared that she had

twice ordered from a talented British designer, but had not received a single piece.

Prejudices rub off on some designers who ill-deserve it. Often they are expected to be late and ill-organised because some of their contemporaries still believe that showing in a seedy, inaccessible corner of

> their creative power. The only way designers can show that they are now grown up and have given up such follies is by cleaning up their

London in the middle of the

night is a smart way to display

Sonnentag Mulligan and Paul Frith both had their autumn deliveries into stores by mid-August, well before they were needed. Nicholas Knightly's spring show of soft. perfectly-executed jersey dresses, fine wool Guernsey sweaters and pale striped cotton pyjamas was in a sensible central London location and started well on time - a statement of intent after several erratic seasons.

Designers are rarely business brains as well, and finding the necessary adviser is difficult. Getting financial backing is even harder and cash-flow problems are endemic – the time-lag between investment and payment is often longer

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Deep grey wool coat with hook fastenings, £450, gunmetal wool/ polyamide waistcoat, £170, and trousers, £221, all by Sonnentag Mulligan from Harrods' Way In, Knightsbridge, SW1. Black suede shoes, £170 from Stephane Kélian. Opaque tights

Some new designers find ways to counteract this. Clinton Silver, chairman of the British Fashion Council is busy arranging "marriages" between designers and companies. This is not, he says, to "control the designer's business" but to "help give them more exposure and also the benefits of experience. In return, the designer's consultancy input can raise the man-

Hair and make-up: Helen Frampton for Ellishelen, Walton Street, SW3

ufacturer's fashion profile and thus contribute to improving design standards in the high

Barbara Sonnentag and Tracey Mulligan's arrangement with the Stirling Group, a Marks and Spencer supplier, resulted in their recent first solo show, which, with vibrant colours, innovative fabric mixes and sharply glamorous shapes was one of the toasts of London Fashion week.

We now feel confident in developing a bolder, slightly younger direction," says Barbara. They are not forsaking the high-quality, wearable tail-oring on which their reputation has been built, however, because we have to compete with a lot of better-known names".

The quality of their understated, slimly-cut autumn suits in mixes of matt and slightly shiny neutrals is remarkable considering they are their company's only full-time employ-

Nicholas Knightly says he keeps the small factories he uses happy "by trying to be a good customer" - unexpected for a young man who gradu-

than the stores would counte- ated in 1991 with prodigious talent and an ego to match. His first collection, of white shirts and denim, was bought by Harvey Nichols. But he had little business experience and false starts and broken contracts fol-

His talent for feminine, flat-

tering cutting has brought consultancies from commercial companies, one of which now keeps him and his full-time assistant "on the straight and narrow". A small autumn collection of favourite shirts - the deceptively-simple one we show was designed three years ago - and private orders will be followed by full-scale deliveries for spring and he will also design a range for the Stirling Cooper group.
Paul Frith has as yet to

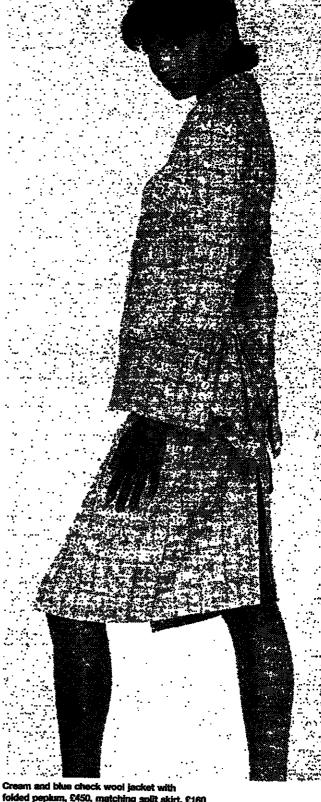
make such a commercial link but hopes his efficient system will attract an investor. "My business manager and accountant both have other jobs so most of any investment would go into the company, not over-

In a previous life he was a Royal Marine, and the discipline shows. He worked in bars to fund his first collection, he uses plain, classic fabrics wool crèpe, silk satin and, for spring, cashmere and chiffon so supply is not a problem, and he tracks down small factories which can produce the quality finish he demands for his very simple, body-skimming, taste-

fully sexy shapes. Owen Gaster is a new boy on the block who has only shown two full collections but his attitude is promisingly serious. He sold his graduation collection to finance a tiny private-order business and perfected traditional hand-finished tailoring techniques by studying construction of vintage jackets.

Earlier this year he held his first, self-financed, show. It resulted in a Japanese agent





folded pepken, £450, matching split skirt, £160. both by Owen Gaster from Joseph, Brompton Cross, London SW3, or to order from 071-935 3556,

glamorous tailoring which is precision-cut on a dummy rather than sketched "because" well-run business starts small and takes time".

It will be interesting to bodies aren't flat". He says he designs for "mature, elegant women" and demands a suitably high quality from his small factory and outworkers.

The lessons which these designers learn as they progress may prove instructive in the future. Gaster has leapt boldly into exporting after finding that "you cannot survive on British sales because this is such a small market. Real business is done abroad." Frith disagrees, having learnt that "a

It will be interesting to review their respective positions in a year. Barbara Sonnentag has learnt the bitter lesson that "it is very hard to make money in this business" but remains optimistic.

Knightly's comments reveal most about the attitude with which young designers start out: "I've learnt that designing is a job, not a hobby, and now I listen to what my customer wants." He, it seems, has learnt humility, which in the world of fashion is the most important growing-up lesson.

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## Inspirational evenings

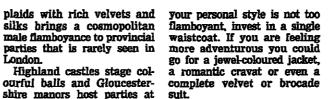
Heath Brown offers some advice to men on how to be cosmopolitan and flamboyant without being flashy or vulgar



Navy and claret velvet smoking jacket, 2395, white marcella front dress shirt, 255 and navy velvet evening fippers, 279 all by Hackett. Navy velvet trousers 294 by Designworks 19 Avery Row, London W1. Claret silk



plaids with rich velvets and



If you are in doubt as to how

to put it together take a look at think back to the inspirational sources of the current mood -

Byron, Shelley, Beau Brum-mell, the Duke of Windsor, Indian Maharajahs, Gothic novels, the films Dracula, Frankenstein (although avoid the overly sinister) and Les Liaisons Dangereuse.
Places to look:

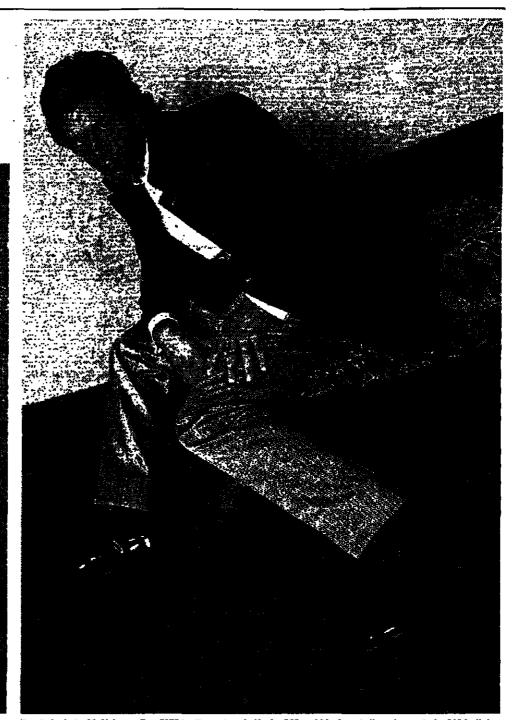
■ Favourbrook, Piccadilly Arcade, Jermyn Street, London W1 for off-the-peg and made-tomeasure one-offs and off-beat tailoring.

■ Yves Saint Laurent Rive Paul Smith, (there are Gauche, New Bond Street, London WI for fabulous men's bronationwide stockists) has modcade suits and "le smoking" jackets.

Harvey Nichols, men's contemporary department, Knightsbridge, London SW1 has a wide modern collection of velvets (look particularly for those by Moschino).

ALFRED DUNHILL

■ Simpsons, Piccadilly, London, W1, for traditional smok-



Purple jacket with Nehru collar, £370 by Favourbrook. Tunic, £55 and black and silver dress studs, £18 both by ckett. Gold silk brocade trousers, £370 by Yves Salat Laurent-Rive Gauche. Cuma von Etzdorf, 50 Burlington Arcade, London SW1 and Barney's, New York. Black patent shoes by Hackett

ern variations on velvet and satin shirts and suits. ■ Good secondhand shops Photographer: José Aragon

Stylist: Heath Brown Shani Zion Styling assistance: Ruth Phillips



Brown velvet dinner jacket, £950; and walstcoat, £250; shirt, £195, trousers, £250, by Giorgio Armani. Cravat, £40 by Favourbrook, 19-21



The modern man has been able to shelter behind the pro-tection of regulation "kit" for too long, and has excused himself from using his clothes as a means of self-expression. He may fear the freedom that comes when the rule book is thrown away.

If a gold-edged invitation elry, but black tie is not obligatory, what is a chap to do?

He is going to have to think for himself. If he cannot take refuge in his dinner jacket, wants a change from his office suit and feels jeans and a leather jacket are not quite right, what should he wear?

This has long been a problem in country circles, where black tie can look ridiculous in more relaxed settings, but has been overcome in the shires by a touch of the flamboyant and eccentric. A gaudy mix of

Regency flair for male sartorial elegance has survived in rural Britain and looks set to return to the city too. City men should not take fright. Many of the looks on

which men are decked in

vibrant splendour. This

offer may have a distinct touch of the romantic about them, with more than a touch of homage to Byron and Shelley, masculine, using fabrics and accessories that are richly sensual but boldly Gothic. Favourbrook, the gentle-

men's outfitters, off London's Jermyn Street, says it is selling more individual evening clothes for men. The velvets and brocade jackets and waistcoats we produce have been selling much more lately and not just to a few young snappy dressers," says proprietor Peter

From elderly judges to suc-cessful young city executives, men in search of a little colour have been updating their evening wardrobes with velvet jackets and elaborate silk moiree waistcoats. At Favourbrook, traditional tailoring is mixed with sumptuous fabrics, both contemporary and period in design, to create menswear that is highly individual - a personal statement rather than a run-of-the-mill uniform.

It is this notion of personal statement and a sense of individuality that should be aimed at when choosing men's evenhealthy flamboyance.

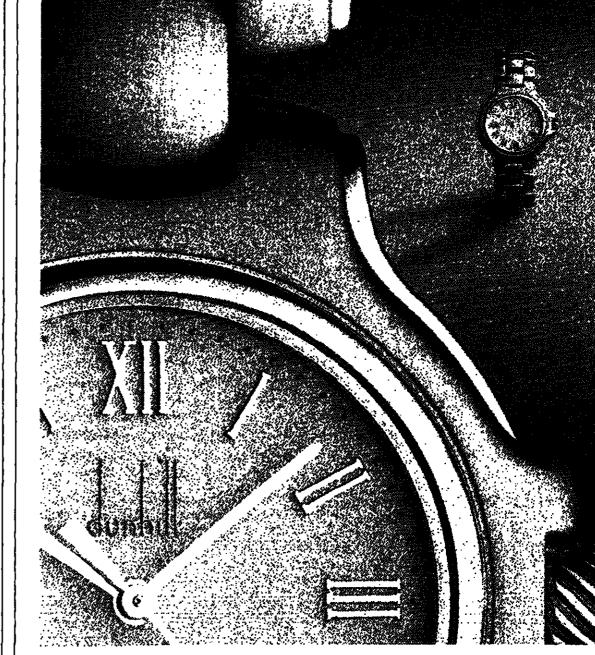
Robin Dutt, Bon Viveur, art critic and style guru, is a great advocate of the flamboyant. And it is with evening wear that he sees a chance for men to let loose. "All stiff sartorial rules can be broken when it comes to men's eveningwear, says he, "but it has to be done with panache, with a certain soignée elegance." He mourns the sobriety of black tie and urges men to invest in at least one sumptuous evening garment in rich velvet or luxurious silk.

Velvet seems to be the fabric of the moment and it comes in many shapes and guises from the traditional smoking jacket to the high collared Nehru.

Neck fastenings can be experimental and relaxed with variations on cravat ties or collarless dress shirts with studs, or velvet and satin shirts left casually open beneath layers of brocade waistcoats and velvet jackets.

The overall aim is to bring some life and colour to the evening scene, to revive the traditions of old, to learn again to couple fun with a touch of the eccentric and to add a dash of romanticism.

However, remember that you must feel comfortable with this new look. So do not choose something so wild that you will feel ill at ease. It must be you. After all you do not want to admire it only in the wardrobe. You could, if you feel



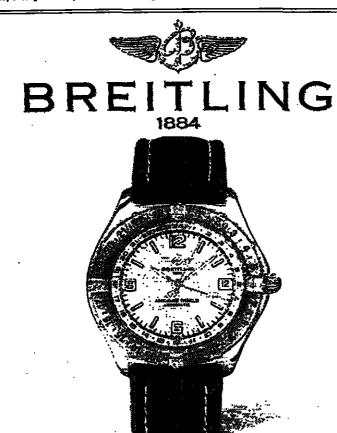
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#### HOW TO SPEND IT: THE ELECTRONIC AGE

## Techno-toys – not just for the boys

Alice Rawsthorn keeps an eye on the electronics products that will be hitting the high streets within the next year or two

the dawn of the digital age but to most of us the electropics world is as chaotic and confusing as ever.

After all, who wants to risk becoming one of those apocryphal "friends-of-friends" who spent thousands of pounds on an early fax machine or who bought a Betamax video.

That said there has never been a better time to treat yourself to a new set of techno-

The combination of economic recession, fierce competition and pressure from newly-wired consumers has forced the big Japanese electronics and IIS computer companies to sharpen their acts.

Prices have fallen; styling is slicker and the latest electronic devices are also easier to use. After a lean period for innovation in the industry, a stream of electronic products will be arriving on the market

#### **Televisions**

in the next year or so.

The humble TV set is one of the main subjects for innovation. For years the industry assumed that high definition TV, or HDTV which offers superior sound and image quality when compared with would be its hope for the

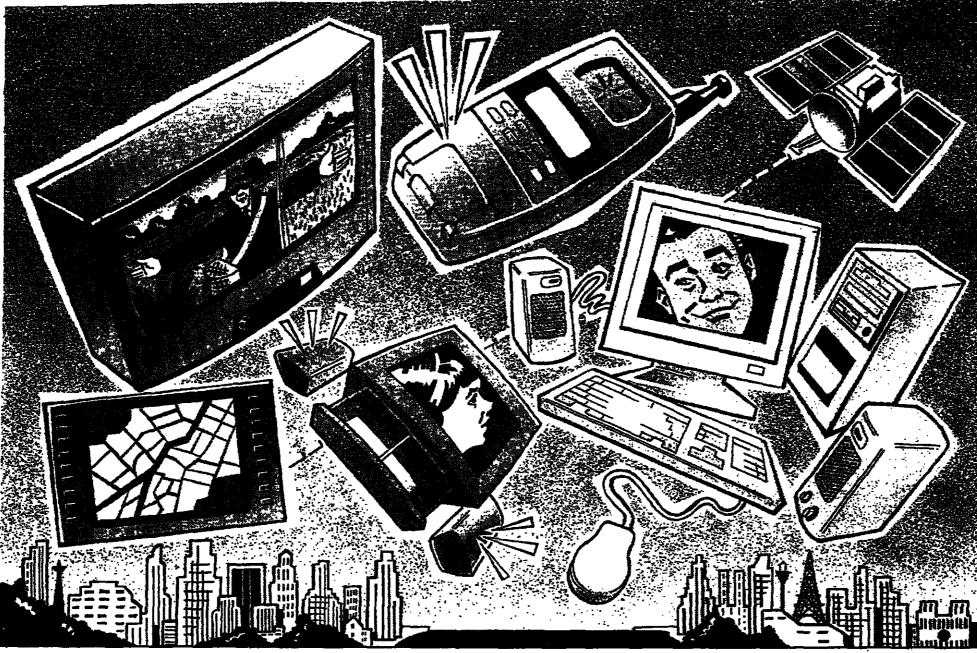
However, HDTV is years away from being launched in the US and Europe, where the industry is still deciding on standards and specifications.

It is available only in Japan and has not caught on there because of high prices – a Sony system costs Y600,000 to Y800,000 (about £4,000-£5,000) and a shortage of program-

Instead, the big hit in Japan is the wide screen. When they were launched three years ago the industry saw them as a cult product that might appeal to movie buffs, as the screen have the same shape as a cinema screen. But wide-screen. has become a surprise success.

It accounts for one in five of all the televisions sold in Japan. Now, it is coming to Europe in the guise of the new generation of PALplus standami televisions

Nokia is in the lead, having launched a 28in PALplus set for £1,500. Michael Grade, chief executive of Channel 4, has already bought one.



Sony, Philips and Grundig are now finalising their PALplus launch plans for early

#### Games

After racing ahead in the late 1980s and early 1990s, the video and computer game market has reached a hiatus over the past year or so, as games fans have awaited the launch of the next wave of 32-bit and 64-bit compact disc-based games.

The new games are more powerful than the old 16-bit cartridge consoles. They also offer digital sound, three dimensional graphics and cinematic visuals.

"They're streets ahead of their predecessors," said one expert. "Playing a 32-bit football game will be like staging your own Match of the Day with the crowd chanting in the background."

Two of the first 32-bit games machines, the Sony PlayStation and the Sega Saturn, are going on sale in Japan this month and in Europe next

The most eagerly-awaited innovation is Nintendo's superpowerful Ultra 64, which is twice as powerful as the 32-bit games machine and will cost \$200 when it goes on sale in the

#### New Music Media

After the success of compact disc, the electronics industry is eager to move to the next new medium. The hitch is that no one seems able to agree exactly what the new medium will be.

Philips and Panasonic have joined forces to develop the Digital Compact Cassette, which they see as a logical successor to the analogue cassette as it is smaller and more durable with digital sound quality.

Sony and Sharp are pinning their hopes on the MiniDisc, a miniaturised version of the compact disc that offers the same advantages of random access and durability in a smaller, recordable format.

All four companies claim publicly that sales are on target. Privately, they admit that the progess of their new prod-ucts is scarcely scintillating. One of their smartest competitors, Pioneer, is playing safe. It sees DCC and MD as "intermediate technology" and is concentrating on developing a miniaturised blue laser disc

system which, it hopes, will be

the new medium for the 21st

#### **Compact Discs**

Yet another battle is brewing over the format for the next generation of compact

There are now three competing formats on the market. So far CD-ROM - the interactive disc that combines text, graphics and sound - looks like the winner particularly in the US where Microsoft has been playing on parental consciences by selling CD-ROMs as educational aids, notably

The competing formats are CD-i, the interactive compact discs developed by Philips for use on dedicated consoles that cost from £299 and plug into television sets, and 3DO, a topof-the-range games system.

Confused? Just wait until video CD comes on stream. This is the new genre of disc that plays films, just like a video tape, as well as music. Video CDs are already trickling on to the Japanese market. But most manufacturers

are loathe to mount full-scale

launches elsewhere until the

industry has resolved the tim-

mg problem of whether to slick with the current crop of 74minute discs - which are long enough for albums, but not for feature films - or to develop an expensive new digitallycompressed format.

#### Computers

Main themes in the computer market over the next few years will be integration and minist urisation. Compaq has led the field in integration with multimedia machines that operate as CD players, PCs, fax machines, CD-ROM drives and even telephones selling for \$1,000 in the US, or for around £1\_100 in the UK.

Sony is making waves on the miniaturisation front with the Personal Intelligent Communicator developed in conjunction with AT&T

The PIC, which sells for \$395 in the US, is a portable gadget, the same size as a Filofax; that functions as a fax, database and an E-mail machine. It is available in the US only, although Sony hones soon to launch a similar format in

#### Global positioning systems

If anything can claim to be the techno-treat of the early 1990s it is the global positioning sys-tem, the hand-held devices that enable the user to plot where they are and where they want

Philippe Starck; the super star French designer, uses his in his private aircraft.

The GPS is still seen as something of an indulgence in Europe, but in Japan it is rapidly becoming commonplace. The must-have accessory is a digital map, or in-car global positioning system; a CD-ROM drive is tucked away in the boot and a map of the route flashes on a dashboard screen. Sony sold 90,000 Digital Maps

last year and expects sales at least to double in 1994. Its latest ruse is a Y400,000 digital map with a real-time traffic information system that uses a cellular phone link to warn drivers of jams ahead. Sony hopes to start with the digital map in Germany, in April.

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Meanwhile, Pioneer is working on the next generation of in-car hardware which, it hopes, will offer an on-line digital map, a CD player, radiocassette and cellular phone all in one machine.

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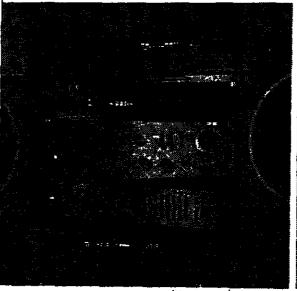
Perhaps the most surprising thing is that Canon loudspeakers are designed and built in the UK, and sold all over the world.

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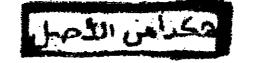
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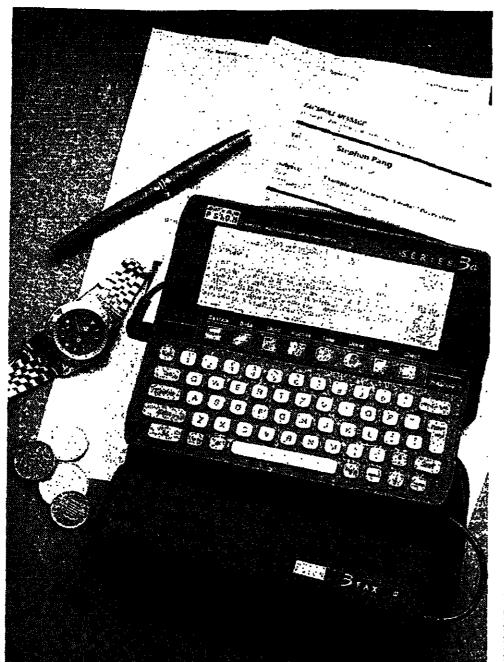
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### HOW TO SPEND IT: THE ELECTRONIC AGE



The Psion 39: for restoring order in your life

### Money to burn? Then think electronics

Do not blink or you will miss the latest technology, says Michael Horsham

echnology has moved so far and so fast in recent years that you can now take your pick from large quantities of techno-toys that, a decade ago, would have existed only in the darkest corners of Q's labora-tory on a James Bond film set. If money was no object, and you were free to choose from the very best of the techno-toys around, regardless of price, which products could, or

should, you buy? Night vision a problem? It does not need to be - not with a hand-held, thermal imaging device. Pysis makes a one-eyed version with a hefty Fuji zoom lens for £900 or thereabouts. You see things in a fetching shade of luminous pea-green: handy, if you happen to like that colour. The bonus is that its ergonomic shape means you can hold it with one hand. A pleasure to use.

The pleasure principle is to be found everywhere in the design of technology. Arguably, there is no product area apart from car design that has enefited more from advances in the understanding of product semantics than the com-

If you feel the need for an electronic organiser to put a little order into your life, the Psion Series 3a is well worth a look for its chunky feel and robust usability.

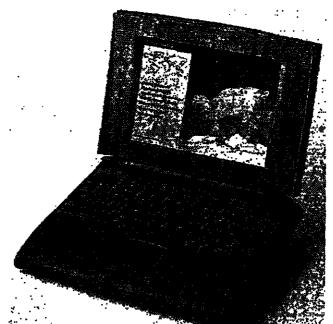
complete with lots of smart to tell the Pixis the latitude

cards and the necessary leads. For tougher tasks, you will need a bigger, beefier computer which is also enjoyable to use. The top-of-the-range Apple Macintosh Powerbook 540c4/ 320 costs a shade over £4,000 and plays a nifty game of computer golf as well as dealing with all the organisational material you would want it to

One of the nicest things about the most expensive Powerbooks is that you get a trackpad, rather than a ball, as the control for the computer. Your fingertips simply trace a direction over a silkily-textured piece of plastic. How it works is a mystery: but that is half the pleasure of owning such an expensive machine. Another exercise in unadul-

terated extravagance would be an Ericsson EH237 portable telephone. It is a nicely compact piece of design with all the fully-featured functions that you would expect from a miniaturised communications centre. The hitch is that the EH237 rockets in price if you buy it without a connection. With air-time, it costs less than £100. Without air-time, it is

Another terrific little toy is the Sony Pixis IPS 760 (£1,299). It is a hand-held global positioning system that tells you more or less exactly where you are at any time - within 30 to 100 metres. Take a map, use it



The Powerbook 540c from Apple

and longitude of your friend's country house - and the device will tell you exactly how far away you are and what direction you should take.

The Pixis is a pleasure to hold and to play with. But it is about twice the price of some rival makes, which will give you just as accurate a position. Let us assume that the position your Pixis has given you

mall is beautiful, it

consumers of gadgets

seems, to French

and gizmos. From

Nowhere is this more evident

than in the case of the Bi-Bop

portable phone. Weighing less

hand-set is small enough to

slip into the owner's pocket.

The Bi-Bop was launched

last year and is available only

France Telecom, the company

behind it, has more than 70,000

The system has its limits

one being that callers need to

transmission sub-station. But

unlike Rabbit, Bi-Bop's failed

British counterpart, there is an adequate number of such

And Bi-Bop is expanding: from

next month, it will be available

stations in the launch cities

mobile phones to cars,

miniaturisation is the

buzzword for plugged-in

than 200 grammes, the

subscribers already.

be within range of a

room watching television" Technology has brought us to a stage where the choice of sets available is bewildering.

If you want to see the pictures as the cameraman and the production team see them when they are working, you could do worse than invest in a professional broadcast monitor. The Sony PVM 1444 QM (£1.499) is the one to look for.

it? Try the Sony S-VHS SVO 9620 Pro-Recorder (£2,750). It has the same chunky aesthetic as the television set and, with its no-nonsense functional quality, is built to last.

Camera? The Canon EX-2 Digital Hi-8 (26,999) has more buttons than a deep-sea explo-ration vehicle and looks suspi-ciously like one. The Sony Hi-8 Pro editor Twin-deck Video Player (also £6,999) should complete the set.

For those who prefer some thing a little slicker, Bang & Olufsen, of Denmark, has been making the sound and vision equivalent to the De Lorean car for years. A completely expandable, modular Beosys tem - including a television with motorised stand and interior screen "curtains", built-in video and several speakers delivering spooky, surroundtype sound - would set you back nearly £10,000.

If you wanted to add a huge, compact disc player, Sony's Unilinear Quadruple D/A Converter System D/A Master Clock Twin Optical Linkage CD Player is £5,000.

All this is available off the shelf for the modern technologist with money to burn. Then there are the custom built techno-toys where the price of a simple stereo and speakers can begin at £100,000. But who wants to wait for delivery when technology is moving so fast and dragging design along

## techno-freaks. This

is a city, after all, where the latest in retro-fashion dictates that owning a rotary telephone is This low-tech approach to life might explain why the humble pager is so popular among Wall Street's top trad-

ers and investment bankers. Admittedly, today's pagers, with their liquid crystal dials that transmit detailed messages and information are no longer quite so humble. Yet, Wall Streeters seem to prefer the pager over the mobile phone because of its lack of inter-activity. A quiet

less intrusive than a shrill

🕇 he must-have item for any

teenager these days is the pocket pager - preferably in this season's colours of bikini blue, hot

These matchbox-sized devices may

have begun life as a communications

tool but they are now seen as a fashion item. Teens are also hot on pager accessories: bungee cords, gold chains and

special clip-on cases are all the rage.

The coolest choose a pager in one col-

Pagers had a bad image until about a

year ago, because they were said to be

used by drug dealers and their clients.

Attitudes have changed. While many

high schools still have an official ban

on pagers, administrators are turning a

blind eye to a trend that is too big to

catching on to the pager trend. Pagers

are also becoming the communications tool of choice for "baby boomers" looking for affordable ways to stay in

touch with their ageing parents and

baby-sitters. But surveys suggest that

teens are three times more likely to

carry pagers than others.

The appeal of a pager is clear for a generation of Californian youngsters

which typically spends more leisure hours on the telephone - local calls are free - than watching television. The

pager is, after all, the next best thing to

a mobile phone, which few of them

In California, a simple pager that

accepts numeric messages costs about \$70, with a service charge of \$10 a

month. A cellular telephone typically sells for \$160, and monthly call charges

It is, however, parents who buy most of the pagers that are touted around by

teenagers - and they have self-interest

in mind. The pager is a high-tech way

to lengthen the parental apron strings

while still keeping tabs on young Jenny

can mount quickly to \$100 or more.

could afford.

Teenagers are not the only age group

our with a hoister in another.

pink or a see-though "ice" shade.

trend-conscious Californian

## Paging is perfect and small is beautiful

top bank said recently: "You

see guys walking in here wear-

clipped to their belt." You can, of course, still spot the occasional Armani-suited executive with a notebook computer, but the more tuned-in techno-freaks will probably be armed with the new line of personal communicators such as Sony's Magic

These hand-held contraptions are a phone, fax, pager, The sight of millionaire book, calculator and note-pad all rolled into one small, if

costs around \$600 and the Magic Link \$900, and both are becoming popular in the media and fashion businesses.

ing a \$2,000 suit and a pager Gothamites, however, are not immune to the lure of the high-tech gizmo if it allows them to enjoy a little "downtime" now and then. The SoHo art crowd probably gets a kick out of Brooklyn artist Todd Robbins' Sound Toy, a software program which allows art-lovers to inter-act with his work via their computer screens, creating their own an electronic canvas.

bankers using pagers still sur-prises some people, however. all rolled into one small, if Then there is personal pro-prises some people, however. slightly bulky, box. The Simon jection television, the latest

fad among those who cannot bear to leave the box. PPTV consists of a pair of glasses with built-in headphones. A signal from a TV-tuner belt pack projects an image on to

The technology most eagerty awaited in New York is the in-car navigation system, on test in California. It is intended to ensure that drivers never get lost. Once it is in place, all that will be required is a product that translates the cabbie's words into English change for a \$20 bill.

**Patrick Harverson** 

ales clerks in Japan's vast

could persuade their customers to buy

the latest stereo or television set on the

merits of better sound quality or clearer

pictures. Now, consumers want to know

functions such as memory storage and

electronic products in Japan reflects a

definite trend away from conventional

audio-visual equipment, although there

Sharn's Viewcam - a video camera

that allows the user to watch what is

being filmed on the spot - is one rare

Another is wide-screen television sets. These have been on the market for

only two years but have claimed a large

Sony says they will represent 30 per

Yet, while wide-screens have been

wonder if they will ever become a block-buster hit on the same scale as

Most of the present hits in the

One of the most popular new products is the car navigation system -

digital map on the dash-board.

more accurately be described as

information tools.

the Walkman or video recorders, rather than simply being replacements for old

Japanese electronics market reflect the

blurring of the old boundaries between

consumer electronics and information

a global positioner that is installed in

These do not fall easily into the

conventional definition of consumer

electronic products; indeed, they can

the car boot with a screen containing a

example of continuing success in a

tried-and-tested product sector.

slice of the market already.

with a liquid crystal display view-finder

much more about complicated

A short-list of the best-selling

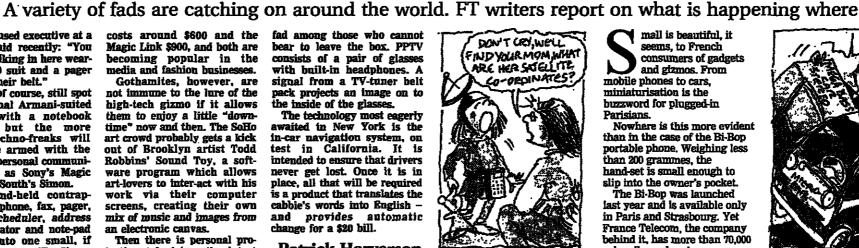
software compatibility.

are some exceptions.

electronics stores have a lot of

Just a few years ago, they

learning to do these days.



are the new wave of personal digital assistants, such as Sharp's pen-based Zaurus system, and increasingly popular cellular telephones.

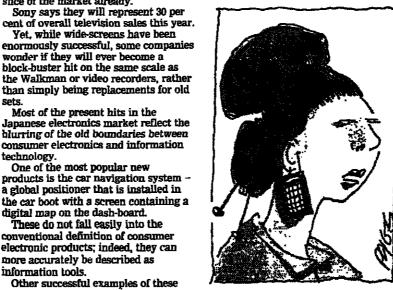
This trend has led many Japanese companies to concentrate more of their resources on information technologies that will let consumers receive entertainment software or information through communications networks, or keep large amounts of information in digital storage media.

Pioneer plans to link with two other companies to provide karaoke services down the telephone line, while Sony is focusing its energy on products merging information with entertainment.

These include Telnavi, which allows the user to access a car navigation system through a CD-ROM drive incorporated into a television unit that also plays regular music discs.

Michiyo Nakamoto







In a society where parents double as taxi drivers for their youngsters because there is little public transport, pagers are an asset when plans go

Low-cost paging services, of the sort used by most teenagers, are designed to transmit only numeric messages, normally a telephone number. But young-

IT'S MY PAGER, IT

SAYS, "COME IN NOW."

or John. The new house rule for the Californian teenager is: "When I page,

you call home

sters have worked out codes to make the most of the system. Mother's code number is always 303 which, turned on its side, looks like mom. The girl/boyfriend code is 143 -

the number of letters in the words "I For the lovelorn, the code 1 1717155 00 means "I miss you" because, when those numbers are squeezed together,

they look a bit like the words. Louise Kehoe

Other successful examples of these

"Mummy" but "Weil", the tele- a uniquely Hong Kong twist:

mer than a packet of ciga-rettes and infinitely more hip - continue to provide all the information which is de rigueur for Hong Kong students, taxi drivers and

advertise their joint multilingual pager with a slogan designed to win the hearts and minds of today's bi-cultural youth in an apt semantic hybrid: "Gam man fong kung hoi happy hour ma?" ("Are you on for happy hour after work tonight?").

The Motorola Advisor, a pager that can be used only in Hong Kong and Macau but is loaded with functions guaranteed to appeal to the buttonhappy, plus a memory storing up to 40 messages, also has an

The television commercials depict a youth with pop star looks and a bouquet of flowers who always arrives at places where his friends are not.

The message is clear: if only he had a multi-faceted, multilingual Motorola pager then he, too, could take part in the happy-hour karaoke.



Another hit is the mini-car the vehicle sans permit. Unknown to many foreigners, France is home to a handful of companies that produce small cars which can be driven by motorists who have not passed the rigorous driving test.

The appeal of these is not just for the young, who may fancy a roof over their heads rather than braving the elements on a moned. The VSP is also aimed at motorists frustrated at failing to find parking spaces. One manufacturer, Microcar, has

sold more than 40,000. VSPs are unlikely to set the pulse racing. With engines of about 50cc, or electric motors. they struggle to go faster than 30mph. But they can be driven by 14-year-olds, and they are easy to park, which gives them

Yet the French remain attached to some tried and updated form. One is the Minitel, the teletext system offices and households.

It has been given a new lease of life since the introduction this summer of a faster model. The Minitel à Grande Vitesse. as it is known, operates at 9,600 bytes a second (eight times faster than its predecessor), allowing the transmission of images through the network.

John Ridding

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Next try again the Alpha 5 FM tuner. Again, don't let this surprising affordability seduce you. Instead listen to broadcast sound that is neutral, clear and dynamic, qualities which gained it a class leading Recommendation in the 1994 What Hi-Fi? Awards.

Finally, feast your eyes and ears on the new Arcam Alpha 5 Plus CD Player - quite simply the best high value performance CD player ever produced by a UK manufacturer.

We are happy to report that the critics agree

with November's What Hi-Fi? giving the 5 Plus an outstanding 5 star review. In the magazine's own "There's not a hint of artifice in the sound of

the Alpha 5 Plus: instead it just sounds together, highly expressive and above all right. And that's as true with big classical pieces or gentle acoustic music as it is with driving rock".

But in the end neither we nor the reviewers are the final judges - you are. So we'll tell you where to hear Arcam for yourself. Then just listen. Close your eyes, open your mind and see the light.

Source - G&K Market Research

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TI'S MY PAGER A MEDIUM WANTS TO KNOW F ANDODY

or people crammed into the second most densely populated corner of the world, those in Hong Kong have a strange fear of losing touch. The colony has one of the world's highest penetrations of mobile communications, from cordless telephones to pagers. One person in every three - effec-tively, every household - has

one such piece of apparatus. The fascination with mobile phones starts young. Plastic day can be spent on either side models are displayed alongside traditional rattles and building blocks. It is a fair bet that the first word uttered by the Hong Kong baby is not

phone greeting. None of this has been lost on

telecommunications companies, both locally and overseas. As Hong Kong also has one of the most technologically sophisticated audiences. the range of telephones and pagers is as big as it is diverse. Top criteria are size slim versions are best - and long-distance capabilities, a must for those whose working

of the Chinese border. Yet, the rave among whitesocked schoolgirls and besuited businessmen alike is a relatively simple product with the multi-lingual pager. These svelte models - slim-

Hutchison and Motorola

astute marketing strategy.

Louise Lucas

### FOOD AND DRINK

### **Kippers** that taste of Scotland

Nicholas Woodsworth visits a small smokehouse in the Highlands

the MV Hectoria hove into the little port of Achiltibuie in the far north-west of Scotland. After just a couple of hours of fishing off the Summer Isles, I had in my possession 30 large, fat mack-

In I strutted to Am Fuaran, the local waterside pub, holding my fishing rod like a sceptre and feeling like an emperor about to distribute largesse. Who, I inquired benignly, might be interested in the gift of a sack of fresh mackerel?

I expected gasps of surprise and admiration. There were none. I expected people to queue up. They did not. One man, in that stage of inebriation in which the whole world is one's friend, said he might take a couple for his cat, but then forgot about it by the next round. I went to bed remorseful, feeling, even if they were only fish, like a

The next morning, over breakfast, Lottie Ross, my hospitable B and B host, did her best to console me. There is nothing wrong with mackerel," she said. "It's just that here on this coast we can get about anything we like. For us crabs, prawns, and lobsters are normal, everyday things. My husband Jimmy will be back from Loch Osgaig in a while; I expect he'll have caught us a few brown trout for tea."

I felt a bit better. But I also felt curious. Amid all this ocean wealth, I asked Lottie, was there any kind of food from the sea - crustacean, mollusc, or finned fish - that she liked to eat but that was not a normal, everyday thing?

Lottie thought long and hard. "Yes," she finally replied. "Kip-

For Lottie, as for most lovers of the smoked herring, kippers are a treat and not to be over-indulged in. She reckons that once every fortnight or so is a good average. "You wouldn't want them more often than that - they make a very par-

ticular meal," she insisted. Particular they are indeed. How-

am not much of a fisherman.
But I thought I was when, one early autumn evening, they are just about the most evocative, memory-stirring and nostalgia-producing food you can eat. Lottie agreed; she can remember eating kippers as a child growing up near the Clyde. She can even remember specific meals - the arrival of wooden cases of Loch Fyne kippers and the feasts that followed.

Perhaps that is because Loch Fyne, a long, deep arm of the Firth of Clyde, is reputed to provide the best kippers in the world. When I put it to Lottie that the kipper was not a Scottish invention, but originated last century in Seahouses in Northumberland - I once spent a holiday there and it is their proudest claim - she was indignant. The kipper is as Scottish as tartan plaid, she asserted, and the world's finest.

How could anyone prove that, I wanted to know. "Just head down the road a mile and see a man named Keith Dunbar," Lottie replied, "he knows everything there is worth knowing about kippers." And he did.

Lottie and I were both wrong, it turned out. As a specialist who for more than a decade has been smoking not just herring but everything else under the sun - salmon, sea trout, eels, venison, duck, highland beef, wood pigeon, and Arran cheeses - Keith Dunbar has amassed great quantities of litera-ture at the Achiltibule Smokehouse. His enthusiasm for his art has done him no harm - he may work on the wild outer edges of civilisation, but last year Dunbar and his small company. Summer Isles Foods, won the BBC's Best Smokehouse award. I surprised him. hard at work in his smoker's apron, but he nipped off happily to his files to satisfy my

Neither the Scottish nor the English, it seems, can claim the invention of the kippered herring. The origin of the word kuppen, meaning to spawn, is Dutch, and

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ing of out-of-season salmon. Kippering fish is also a very old art, and was practised all over northern Europe for hundreds of years as a means of preventing spoilage.

As early as the 1400s fishermen in southern England were talking about a "kipper time" in connection with what now seems an improbable activity - an annual Thames salmon fishery.

But do not imagine, I was warned, that the medieval kipper enthusiast sat down to the moist, fragrant, creamy textured and delicately smokey fish that the best kippers can be. One should not even imagine, in fact, that the medieval kipper enthusiast existed at all - heavily smoked to make emaciated, out-ofseason fish a bit more palatable, heavily salted to give them maximum storage life, the dry and leathery kipper was eaten more through necessity than pleasure.

Keith Dunbar, though, is hardly more complimentary about the modern mass-produced product. And anyone who has tried it will probably agree - today's frozen boil-in-the-bag supermarket kipper was applied originally to the smokis a disappointment: not tender but

soggy, not flavoursome but tasteless, not subtly toned but artificially colour-treated. Worst in this litany of modern sins, Dunbar asserts, is that some kippers have never seen even a lick of smoke.

All this is partly the consumer's fault, he admits. "We don't shop with our noses or our sense of taste,

What could the Ramada hotel in Qatar want with over 300lb of kippers?

but with our eyes. Commercial companies know this and, invariably vhen we buy smoked fish, we fall for that superficial sales pitch deep, dyed colours. It is a mistake every time."

Keith Dunbar's kippers are nothing but herring, salt and smoke. "The mass-production companies would laugh at my operation here -

they deal in herring by the truckload," he said as he showed me his blackened smoke kiln, not much subtle flavour. bigger than a large wardrobe, that allows him to smoke up to 200 kilos

of fish at a time. "There are three things that are vital in kippering," Dunbar said as he showed me brine vats and hanging racks, smoke flues and fireboxes. "The quality of the herring, the smoking process, and the kind of smoking wood used."

if Dunbar can get plump, high-fat herring from Loch Fyne he will; sometimes he finds Faroe Island, Norwegian or Icelandic herring better. Often commercial smokehouses will smoke their herring for just three or four hours with a smoke so hot it immediately forms an impervious crust over the kipper, preventing the absorption of smoke. In Achiltibule herrings are smoked for 18 hours using "cold combustion", a

method producing slow, cool smake. The real secret of a good kipper, though, lies in the wood shavings that generate the smoke. Dunbar uses only shavings from sherry casks: when these are imported by Scottish distilleries for whisky storage they are dismantled and rebuilt; the scrolly mature oak shavings that result produce a deep, fragrant,

Who eats kippers these days, I asked Keith Dunbar, marvelling at the invoices for kipper deliveries lying on his desk. What, for heaven's sake, could the Ramada hotel in Qatar want with more than 300lb of kippers? Who orders kippers at the Holiday Inn in Katmandu?

All sorts of people will try them, apparently. But strangely enough there is a fairly well-defined kipper consumer's profile, Dunbar told me. Kippers are an upper-middle class product, eaten mostly by over 55s. They are favoured by the professional classes, especially those in the law, finance and the clergy. Most kipper lovers are conservative - they harken back to the days when people could sit back and enjoy a leisurely breakfast.

"There's something very emo-tional about the whole business," Dunbar told me, mystified. "There are large numbers of elegant London ladies who buy kippers for their fathers and uncles at Christmas. 'Daddy just loves kippers', they say

to me. They have become so popular I have started a Kinner Club.
For 250 you can have two pairs of freshly smoked. Achiltibule kippers delivered to your door every 30 days for six months."

Elegant London ladies were all

very well; I, however, wanted to put Keith Dunbar's kippers to the real litmus test — an eracting Achilti-buie woman I happened to know. "Wonderful," stghed Lottie Ross the next morning as together we tucked into a feast of grilled kippers, scrambled eggs, hot toast and strong tea. "It has just that fra-

grant, smoky flavour I remember as I had no distant, kipper-related memories to dwell on. But kipperconsciousness, more evocative than: any Flaubertian madeleine, will not fail me. Next time I bite into a morsel of that tender, flavoursome fish,

I know I shall find myself on the rocky shore of Achiltibute.

Inquiries concerning the Kipper Club may be addressed to Keith Dunbar, The Smokehouse, Achiltibute, Ullapool, Ross-shire, Scotland IV26 2YG. Tel: 0854-622353, fax

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Appetisers

### Last-minute party venue

on for the finest rant." the Christmas table, the search for the ideal venue for the office Christmas party is almost over.

One London restaurant that has opened too recently to avail itself of Christmas bookings, but would make a most lunch or dinner party, is The Heights, on the 15th floor of the St Georges Hotel, Langham Place, London W1 (071-636 1939). The chef is 29-year-old Adam Newell, formerly of Le Poulbot, Cheapside, London EC2, who shows his culinary talent and originality in dishes such as: salad of grill guinea fowl and ratte potatoes; crab and scallop flan; peppered roast monkfish and gâteau of aubergine and tomato vinaigrette. Dinner costs around £20 to £25 per head without wine (the list is sadly disappointing) and there is a cheaper bar menu next door. Window tables command views across west London. Nicholas Lander

■ My short *cri de coeur* about the menace posed by mobile phones in restaurants has struck a chord. Suggestions came in from the UK, Israel and Germany. They ranged from the creation of special areas for mobile phone users, the equivalent of smoking and non-smoking zones, to the commissioning of a new H.E. Bateman cartoon that shows the

use a mobile phone in a restau- dietician who designed the

One reader told the story of a good food and remain healthy man in a railway carriage interrupted by a fellow traveller using a mobile phone. The man expressed interest in the phone, was given it to look at, and promptly threw it out of

the window. But all readers agreed that restaurateurs should display a prominent sign asking mobile phone users to leave their phones with the receptionist during the meal. If they do not, one-liners to be remembered include: "Td rather not hear about you and your probation officer!", "I'll ring your neck" or finally, and most effective if said by a woman to a man:
"Kindly put that thing away!"

■ A light lunch prepared by Rowley Leigh, chef-proprietor of London's popular Kensington Place: scallops with ceps; noisettes of venison with pumpkin purée and tomato and aubergine gratin followed by baked tamarillos and vanilla ice. To drink there were choice wines from the cellars of the London wine merchants Bibendum: a delicious Condrieu; Cabernet from the Waimarama Estate in New Zealand; Recioto di Soave and

Niepoort port. Did I say a light lunch? Do that five days a week and you will almost certainly be making an urgent appointment with your doctor. But not fate of "The man who dared to according to Jane Clarke, the

- and the above meal was one example.

Sounds too good to be true? Let us hope it isn't. Sceptics can make inquiries to Jane Clarke on 071-823 5323, fax 071-823 5110. Giles MacDonogh

■ Sotheby's first wine sale in Zurich for many years takes



place on Friday, December 9 at the Hotel Baur au Lac and is expected to fetch £500,000. It coincides with Sotheby's 250th anniversary year and the 25th anniversary of Sotheby's Swit-

Château Cheval Blanc 1945, 62, 64, 82, 35, 36, 38 and 39, La Fleur Pétrus 79 and 36, vintages of Margaux, Lafite, Latour, Pichon-Lalande, Cos d'Estournel and Ducru-Beaucaillou are included.

There are some interesting estimates: SFr8,000-SFr10,000 for a dozen bottles of Pétrus 78 and SFr6,000-SFr7000 for a dozen bottles of '67 Yquem. Sotheby's is hoping a single bottle of the '45 Yquem will fetch SFr1,000-SFr1,300.

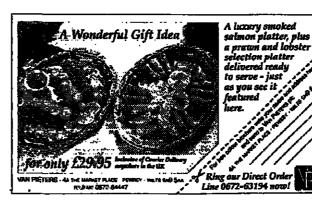
menu. Clarke says one may eat auctioned, including some Cuban specials chosen for flavour and rarity. A 44cm Havana "Le jeroboam de Gérard Père et Fils" is expected to net SFr400-SFr600. No doubt the buyer will either want to share it with friends or

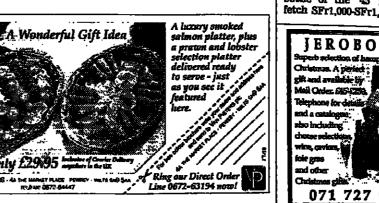
> rupted days. Seriously, the number of exceptional wines from rare vintages might make a very acceptable Christmas or anniversary gift, especially since there are a number of small

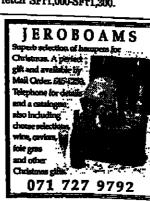
smoke it over several uninter-

Hampton Court Palace still has places available on its Tudor feast lecture tours, running from now until spring next year. Specialist guide-lecturer Sue Jenkins will talk about Tudor food, cooking methods, kitchen equipment and diet. The tour will take place in the palace's royal kitchens, which were designed to feed several hundred. Cost of the tour (on selected Thursdays from 11am to 12.30pm) is £15. Details on 081-781 9540. IJ.

A welcome sign that, under energetic chairman Adele Biss, the British Tourist Authority is taking a more active role in promoting British restaurants, is the new Guide to Asian Restaurants in London. Financed by the BTA and Qantas, 70,000 copies of this guide to 39 of London's best Chinese, Thai, Indian and Japanese restailrants are available free from BTA Asia offices and are being distributed to Qantas passengers arriving in the UK. NL









Giles MacDonogh visits Bulgaria. He has a meal to remember with a retired cavalry officer and sees the problems of the country's wine industry

know now that the only way to deal with the after effects of homemade rakia is to eat a large bowl of shkembay tchorba. liberally dosed with pickled garlic and scattered

nir zanovimber 27 1994

with chilli pepper seeds.

I learned as much in the pretty old town of Veliko Turnovo in Bulgaria after dinner with a remarkably hospitable retired cavalry colonel and his

As ever, the meal had begun with a plate of salad and a glass of rakia, the Bulgarian national drink it is a little like an Austrian Obstler: a schnapps distilled from whatever fruit there is to hand. The colonel was proud of his

rakia. I recognised that homemade feel as it burnt its way down my oesophagus stripping away any form of protective lining it encountered along the way. Tears appeared in the corners of my eyes. What kind of alcohol level did it have, I asked hoarsely? Not more than 45 degrees, said the colonel unconvincingly. I would have bet good money it was 10 more. The colonel cheerfully refilled my glass and raised his own in a toast.

I was relieved when my salad plate was taken away and the need to swallow the firewater passed. We ate one of Bulgaria's best little dishes: red peppers filled with feta and beaten egg, dusted with flour and fried in batter. Then the colonel's wife served her special schnitzel, flavoured with marjoram and also dipped in beaten egg.

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Later, some little strips of ham made their appearance as we had not finished the wine (the Bulgarian shuns drink unaccompanied by food). Finally, a sweet cake appeared laced with something like a Rhenish Apfelkraut: a reduction of apple juice.

I cannot have drunk more than a couple of tumblers of rakia but the damage was done. Shkembay was the only

Shkembay is perhaps the one area in which the Bulgarians and the Romanians make common cause. North of the Danuhe it is called ciorba di burta, or sour-stomach soup. The words tchorba and cierba both derive from the Turkish word for soup and this was the broth which fuelled the janizaries, or Christian guards, of the Ottoman army. It presumably gave them the force to fight.

Classic shkembau should be brimming with whole cloves of garlic and big, juicy chunks of tripe. If you are suffering as much as I was, you add some more pickled garlic and more pepper too. Bulgarian cookery is simplic-

ity itself. A salad, such as the popular shopski salata (which refers to the people of Sofia), with its tomatoes and grated feta, is served with a glass of rakia. A soup is often served, and sometimes a sort of assiette volante in the form of a pancake filled with meat. Next comes a little plate of kebab or schnitzel; or sometimes a cheese dish such as the kashkaval or yellow cheese, dipped

in batter. One of the most pleasant meals I ate in Bulgaria was also in Veliko Turnovo, in the

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sautéed with onions while a singer called Petva sang me an apparently lewd song about a woman caught pilfering black-Meals are not over-generous. Little slivers of meat are fre-quently served, in good old

Mehana (or tavern) Hadji Min-

cho, in the old town. I ate rus-

Communist Block style, under a covering of cheese. The cheese is either white (feta or sirene) or yellow (kashkaval). The Party had its own gastronomic tastes, as a Bulgarian friend remembers on the one occasion he was invited to the Politburo guest house (now the Hotel Rila) in Sofia for lunch.

The room was filled with plump little men in shabby brown suits with pools of sweat under their arms. They were all fetching a treat from a buffet and licking their lips as they conveyed it back to their seats. The dish turned out to be whole sheep's heads - eyes Now that the Politburo is no

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house in Veliko Turnovo: Bulgarian cookery is simplicity itself

more, the old members might ideas from elsewhere. well be working in Sofia's centic potato soup and mutton tral market. I was flabber the verb "paner" to cook in gasted by the linguistic talents of one of the stall holders who addressed me first in fluent Italian; then moved effortlessly into German until, learning that I was English, he spoke to

me in my own language. The simplicity of Bulgarian food may have something to do with the comparative youth of the state combined with 40 years of communism.

After the Bulgars (with a lit-tle encouragement from Gladstone) ejected the Turks a century ago, the new nation borrowed many of its culinary From France they imported

batter (this appears on tourist menus as *pane*, as in "brain pane"); from Hungary came palatschinken or pancakes; from Russia, a taste for little smoked fish. More recently culinary attention has turned to that bulwark of capitalism, America.

A provincial hamburger, however, turned out to be a fairly crude attempt at the genre: a roll was filled with what tasted like spam, together with a few slices of cucumber and some feta cheese with tomato ketchup.

booming in Bulgaria for the first time since 1947. People are free to open what they wish. Before 1989 there were about 10 restaurants in the capital, Sofia. Now there are hundreds. But while you are no longer stuck for choice as to where to

go, there is little variety when it comes to the food on the plate. So far, the only postcommunist culinary inventions are the doner kebab and the hamburger. We must give them a few years yet. In the meantime I counsel anyone going to Bulgaria to apply their palates to a good bowl of shkembay.

The restaurant business is

return of the communists (now disguised as the Bulgarian Socialist Party) in the December elections. In the two years following the privatisation decree, more than 5m Bulgarians, from a population of just 8.5m, have

become property owners.
Political commentators say the BSP will not be able to proceed against this new property-owning class without

here is something bloodshed, they will, however, try to slow down the pace of privatisation. They will also direct business to the stateowned wineries rather than the new private ones. In many areas the vines

odd, not to say

unsettling, about sit-

ting in a restaurant

in one of the more remote cor-

ners of old Europe and having

the waitress bring you a bottle

of wine on which the label says

that it was bottled for the exclusive use of J Sainsbury, of

Stamford Street, London, SE1.

Bulgarian wine now, but per-

haps less aware of the turn of

events which led to Britain becoming one of Bulgaria's

Bulgaria was designated a

wine-producing state for the entire communist block under

the Comecon agreement of the

late 1940s. Until the arrival of

Gorbachev, the Soviet Union

provided its main market. Far from liberalising the Soviet

state, one of Gorbachev's first

moves was to ban drinking in

the Communist Party. This

resulted in an unexpected blow

Fortunately for the Bulgar-

ians, their wines had begun to

attract attention in certain

western markets, notably Ger-

many and Britain. From the

mid-1980s onwards the best

By some curious irony, the

kolkhoz system, which had destroyed the old peasant vine-

yards on the hillsides and

brought the vines down on to

the productive (but not nearly

so promising) plains, proved a boon to British supermarket

Here was a chance to pur-

chase huge quantities of cheap,

decent quality wines for their

branches. The price they paid

was shoring up Zhivkov's regime with a little much-

needed foreign capital. But at

the time no one cared much

about that. Attention was

The success of this change of

direction was short-lived. In

1989, Bulgaria underwent its

own version of the Velvet Rev-

early as August 1991, were finally enacted in the course of

the following year. Land was

to be given back to those who

had owned it in 1947 (or their

Many of the wineries had been constructed by the state,

but some had not and in those

cases there was a good deal of

chicanery about giving them

back; but, at the time of writ-

ing, a third are already in pri-

Confusion reigns. Not k

because of the uncertainty

engendered by the probable

vate hands.

Privatisation plans, voted as

focused on South Africa.

buyers.

wines made their way west.

to Bulgaria's wine industry.

prime markets.

We Britons are familiar with

themselves are in a lamentable state. Already in the 1980s declining production meant that whole vineyards were left Now the need to compensate

the state for "improvements" made to the land during the 40-odd communist years, has resulted in some people refusing to take back their land. They prefer to wait until the vines have died. That way the need to pay money to the state in compensation will be invali-Bulgaria is in

the throes of a revolution comparable to that which took place in France 200 years ago

If this process is allowed to continue it could mean that both state and private wineries will have problems putting their hands on grapes to satisfy their customers in the

In the new private sector there is considerable interest in how the British buyers will jump. Will they continue to buy from the more efficient state-run wineries such as Russe on the Danube, or will they turn to the new private companies such as Lovico in Subindol?

Konstantin Madjarov, who got his family winery in Stamboliiski back only months ago. is bitter about both the Bulgarian state and the western buyproved itself uninterested in agriculture and his impression is that the west has no desire to see the development of private wine production in Bulgaria. Foreign investment has so far been made in Hungary, Romania and Moldova, but not

in Bulgaria. Madjarov may be right. The British buyers will almost certainly continue to buy where they may be assured of decent quality in sufficient quantity.

In the meantime, the Bulgar ians' old friends in Russia have come to the rescue. Yeltsin's land is not the sober place it was under Gorbachev and demand from Russia is high. The trouble is that they only buy cheap wine.

Driving back from Plovdiv to Sofia I could still make out the old south-facing terraces where the best grapes were grown before 1947. The thought of replanting these good sites filled me with a mild optimism.

I found something of the same spirit among Sofia's leading political scientists. They pointed out that Bulgaria was in the throes of a social revolution comparable to that which took place in France two centu-

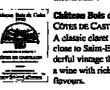
A new social class has come into being. One of them asked me if I had noticed the hordes of horses and donkeys which now clutter up the Bulgarian roads: "The old communists hate them; they see them as a return to pre-modern times. This is not true: the donkey is the first step to independence.

The same peasant-farmer who invests in a donkey will look after his newly acquired vines, and who knows? Maybe one day his son will stop taking the grapes to the co-operative and make the wine him-

It was a cheering argument and one which continued in a local Sofia restaurant over a bottle of Young Vatted Merlot (bottled exclusively for Safe-







A classic claret from vineyards close to Szint-Emilion - a wonderful vintage that has produced a wine with rich, full, savoury BORDEAUX DIRECT, PADDOCK ROAD, READING ROADY TEL 0714 44/555



Châtean Lamotte Tahanac 1992 PREMIÈRES CÔTES DE BORDEAUX AOC A supple, smooth red berry and perfect for drinking this

BORDEAUX SUPÉRIEUR AOC

From a property in Fronsac owned by the noble Duc

balanced, richly fruity claret

that typifies the virtues of this

or telephone 0734 463555 (quoting Ref:   Please send me immediately The Fine Chris commitment to any further purchase.	H825) or fax 0734 461953. truas Cluret Case (3 bottles each of the wines featured above).	. I understand there is no
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Address	Postcode	
Telephone Daytime	Breaking	·
Where to leave if out (e.g. with neighbour)		
I enclose a cheque for £74.74 (i.e. £69.99 pl please charge £74.74 to my VISA/ACCES	us 14.75 p&p) made payable to "Bordeaux Direct" or S/CONNECT/AMEX/DINERS CLUB card number:	10
	_	Expiry De



### Others enthused less. describing it, among other things, as "somewhat stiff", "dense", "too rich" and "a little lacking in flavour". The Andignac sample pleased by virtue of its "pink flush appearance", "good texture" and "very good flavour but not what I would expect from goose". It was also rated

As preserved foie gras is the

only sort suitable for sending

by mail order, we restricted

our comparative tasting to

We aimed to get our supplies from the food halls of depart-

ment stores, importers pre-pared to sell retail as well as

wholesale, and small specialist

The services offered were varied, to say the least. This

soon became clear to the Week-

end FT's Anna Lambert, who

organised the orders to be des-

impersonal and expensive,

geared better to selling ham-pers than the single jar or tin

of foie gras that more suitable

for mailing to great-uncle

atched for our tasting. Food halls generally seemed

products in this category.

moked salmon was first, followed by oysters, as the choice items that greedy people bought for as mail-order presents

Foie gras is a more ticklish roposition to buy than moked salmon or ovsters ecause, unlike those very ritish foods, foie gras is forgn territory. Valiantly, how-er, the Weekend FT's food and drink team agreed to search and sample what is vailable to establish best buys

First, a few basic facts about ie gras. Foie gras, which simy means fattened liver, can me from goose (oie) or duck anard). Whether goose makes iperior foie gras to duck. or

ce versa, is open to endless Goose is rarer now, and more pensive, because these birds e more labour intensive to use. Experts agree generally nat goose foie gras is richer and smoother, although duck

ends to be fuller-flavoured. Foie gras may be sold raw or coked to varying degrees. eeps for just two weeks and

ust be refrigerated.
Cooked lightly and freshly alled fresh in English, mi-cuit 1 French), wrapped in foil and acuum-packed, and kept in ne refrigerator, it has a shelf fe of three to four weeks. E The next rung up the preser-o ation ladder is known as

emi-conserved in English, emi-conserve in French. Boted or tinned, this also must e stored in the refrigerator, there it will keep for about

Finally, there is fully-preerved foie gras - what the rench call en conserve -hich is cooked at length and terilised in jars or tins so that does not need refrigeration. can be stored safely in a larer or cool larder-cunhoard and rill keep for about two years.

Foie gras feasts and top

2. Auguste Cyprien of Perigord (supplied by Clark Trading Co. £18 per 130 gram tin). 3. Jean-Pierre Picot of Gascony (supplied by Traiteur Pagnol, £24.50 per 160 gram jar). We all prefered duck foie

gras to goose, and were unanimous in giving our top vote to the Cyprien duck. The general gist of our comments here was good clean taste, good texture, good finish, good value. Again opinions were fairly

"rather coarse", "chewy in the

mouth" and "cloying in after-

the one hand, also provoked

the comment "rather coarse.

more like a brawn or a pork

■ Foie gras de canard entier

this time duck rather than

1. Andignac of Landes (sup-

plied by Gourmet Products of

goose livers. Samples tried:

Cyprien sample,

The

united about the Andignac sample: "dense flavour", "quite full in the mouth", "almost sweet" and the word "buttery" cropped up repeatedly; while the Picot sample elicited the description "cheesey" from almost all the tasters. approved by some for its tex-ture and "mealy" flavour on

■ Bloc de foie gras de canard

en conserve.

Bloc or loaf is a cheaper way to eat 100 per cent foie gras, a smooth blend of foie gras trimmings that is usually, but not always, studded with little nuggets of lobe - look for the "avec morceaux" on the label. Samples tried:

1. Auguste Cyprien of Perigord (supplied by Clark Trading Co, £12.75 per 130 gram tin).

France, £17.50 per 180 gram 2. Jean-Pierre Picot of Gascony ers may like to note that Gour-(supplied by Traiteur Pagnol, £7 per 65 gram tin).

Only two samples of bloc as **Courmet Products of France** sell it fresh not fully preserved. Results were disappointing here. "Quite nice flavour and good length but not special" was the most enthusiastic response that could be mustered for the Cyprien sample.

Picot fared little better. Indeed it was described as meatily unsubtle, cloying, coating the mouth disagreeably" by one of our team.

The overall winner by far, the best buy on all counts by common consent, was the foic gras de canard entier in a tin by Auguste Cyprien from Clark Trading. The only pity, we agreed, is that glass jars make more handsome and impressive gifts than tins. But taste is the most important thing, and the fact that tins are lighter and less fragile is an obvious postal advantage.

It is undeniably true that the

much more perishable fresh or mi-cult foie gras is superior to fully preserved - the lesser heat treatment it has undergone permits texture and flavour to With this in mind. London

met Products of France sells fresh whole lobes of goose at £35 and duck at £29 per 300 grams, and en bloc of duck at £16 per 250 grams. Traiteur Pagnol also sells fresh lobes at £29 and £25 per lb for goose and duck respectively. Remember, these products need to be

kept under refrigeration so

Chef Gordon Ramsay's terrine was sensuous food for the gods

take a cool bag when shopping. They are unsuitable for mail-

The greatest treat of all – as dazzlingly different as fresh alpine strawberries just picked from the wild versus a jar of ordinary strawberry jam - is high quality raw foie gras cooked to order.

Foie gras lightly sautéed and served hot on salads, or gar-nished with quickly fried slices of apple or gently warmed

grapes, makes an exquisite fast feast for à deux occasions. The other great foie grus delicacy is. a freshly-made terrine. This has to be cooked ahead and is a spectacular party piece.

To remind ourselves of this fact we tasted a terrine of foic gras specially prepared for us by Gordon Ramsay, of the much-lauded Aubergine restaurant at 11 Park Walk, London SW10 (tel:071-352 3449). Silkily smooth, with a sensuous meltin the mouth texture, fine lingering flavour and a shiver of shimmering jelly on the side, it

was food for the gods. As my colleague Nicholas Lander pointed out, when you taste something like this, and you think of the time and ingredients that have gone into its making, the restaurant charge of £12 per portion does not seem exorbitant.

Aubergine does not, alas, sell its terrine of foie gras as a take-away. However, terrine of foie gras can be cooked to order for collection from the House of Albert Roux.

Or, if you have the time and enjoy culinary adventures, you could buy raw fole gras and make your own terrine at home. Gourmet Products of

Philippa Davenport tells you all about fattened duck and goose liver. at £40 per kilo as does House of Roux at £18.50 per lb. A recip for terrine of fale gras will fol-

low next week. Clark Trading, 17 South brook Road, Lee, London SE12 8LH. Tel: 081-297 9987. Fax: 081-297 9983. Postage and packing 22.95. Last orders for

Christmas: December 19. ■ Gourmet Products of France, 123 Howards Lane. Putney, London SW15 6QE. Tel: 081-788 6908. Fax: 081-789 2732. Deliveries free in Landon. Postage and packing outside London (suitable for preserved products only) £4.50 per jar. Last orders: 28 November. ■ House of Albert Roux, 229 Ebury Street, London, SW1. SUT. Tel: 071-730 3037. Fax: 071-823 5043. Last orders for Christmas: December 16.

Traiteur Pagnol, 170 Regents Park Road, London stcode. Tel: 071-586 6988. Fax: 071-916 1983. Postage and packing (suitable for preserves products only) £4.50 for the first item plus £1 for each additional item to the same addresses. Last orders Decem-

Harrods can supply raw goose foie gras at four days notice for £35 to £40 per lb. Tel:

emselves and sent to their or the festive season. Now *foie* ras, long favoured at top ibles, is the most fashionable ire with which to celebrate ne feast of Christmas.

What is more - and presum-ably with the flashy end of their lucrative international seemed to concentrate on foie gras products with truffles and other fancy trimmings rather than good, plain foie gras Of the importers, W. G.

White was wonderfully informative and helpful: alas, its business is wholesale so it does not offer mail-order service. Repertoire, which does, showed a willing spirit initially

but inefficiency in practice. After four frustrating attempts to contact Cutters (none of our calls was

returned) we gave up on them.

We found that only the very small specialist companies were knowledgeable about their products and willing and able to talk to us. They tended to be much better at supplying orders exactly as requested, and delivering them when they

We asked for three different sorts of preserved foie gras, all 100 per cent pure and simple.

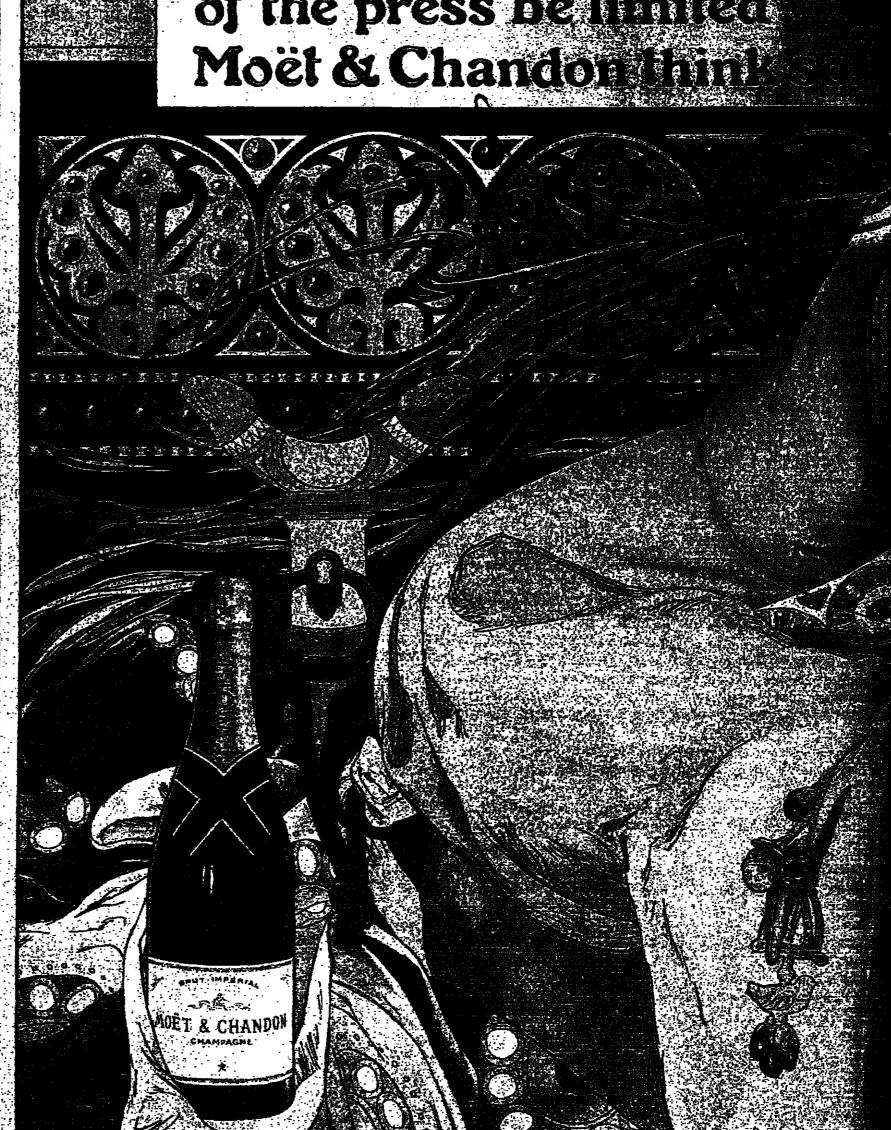
Entier is a key word here. Foie gras labelled like this must legally consist of whole lobes or a large piece of liver (with a small piece permitted only to make up weight). Samples tried were:
1. Andignac of Landes (sup-

plied by Gourmet Products of France, \$22.00 for a 180 gram

2. Auguste Cyprien of Perigord, (supplied by Clark Trading Co, £19.50 a 130 gram tin). 3. Jean-Pierre Picot of Gascony (supplied by Traiteur Pagnol, £25 per 160 gram jar).

Goose generally found less favour than duck but one taster voted the Picot goose a close second best to the overall winner, approving its "fine col-our, strong appetising nose and

## Should the power of the press be limited?



### Sweet and golden

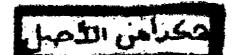
arcane subject of matching food and wine, that a region's wn liquid produce generally oes best with its solid (edible) natter. It seems rather tenu-us to me. Whisky may be deliious with haggis and Ribera el Duero with the pitifully hort-limbed milk-fed lamb aten in that part of Spain, but in with jellied eels? Bandol rith bouillabaisse?

We could discuss this fasciating subject for many weeks, nd certainly the wines that go est with fole gras are in gen-ral produced in regions where tucks and geese are never llowed to be peckish.

Because foie gras is so rich, t tends to make all but the nost sumptuous red wine taste ather thin and puny, whereas : sweet, golden liquid can eem just the job - especially vhen the *foie gras* is served vith something sweet as it so

eten is. The south-west is not just rance's centre for foie gras roduction, but also for her weet wines: Sauternes most notably but also Monbazillac nd, from further into foie gras erritory, moelleux (sweet) verions of Jurancon and Pacherenc du Vic-Bihl. These last two are often easier and more refreshing to drink young (ie in single-figure prices per bottle) and in my experience go particularly well with *foie gras*. Try Adnams of Southwold, Suffolk, Lea & Sandeman of London SW10 and, of course, the determinedly francophile Nicolas shops in London for examples of these appellations.
On the opposite side of the

hexagone both foie gras and some sweet white wine to drink with it can be found in Alsace - although it can be devilishly difficult to tell from the label just how sweet an Alsace Vendange Tardive or Selection de Grains Nobles actually is. Many less expensive Alsace wines without these riper-sounding words on the label are actually made quite sweet enough to drink with foie gras. Rolly Gassmann from Bibendum, London NWI, Schoffitt from Oddbins and Adnams, and Faller from O W Loeb, traditional independent merchants and now Oddbins spring to mind. For a wide range of Alsace wines, La Vigneronne of London SW7 and Wine Rack are hard to beat.



### CHRISTMAS FOOD AND DRINK

## quality wines to savour

Jancis Robinson goes upmarket for her seasonal wine-buying spree

or the last four years, with a conscientious nod to the recession, this pre-Christmas wine buying column has concentrated on inexpensive chainstore wines. This year things are looking up. If FT readers cannot afford to splash out a little on a special bottle or two for the holiday season, who can?

And when it comes to wines selling above £6 or so a bottle, the best independent wine merchants have much more to offer than most supermarkets and high street chains.

The most reliable guide to finding the best independent wine merchants all over the UK is the (almost) annual Which? Wine Guide.

The 1995 edition is just out, published at £13.99 by the Consumers Association under the editorship of Harry Eyres, one of our more fastidious wine writers.

He chooses as independent wine merchant of the year Lea & Sandeman, of London SW10 and W8 - a slightly Sloaney firm of which I am also a great admirer.

A good measure of an independent wine merchant is how it buys. Deduct 10 points for

those who simply ring around the wholesale importers; add 15 for those who, like Charles Lea, take the trouble to scout around the byways of the world's wine regions in search of exclusive little trouvailles.

Actually Lea & Sandeman's prowls are pretty much confined to France and Italy. They have some clever choices from the New World but limit themselves to two very un-Australian Australian Chardonnays.

Their strength is in the wine world's classics (of which they have a constantly changing stock), characterful bargains from southern France, Valdespino's connoisseur sherries, and evidence of the Italian wine revolution that is shamefully rare in Britain.

Wine merchant of the year

Wine merchant of the year, so far as this year's WINE Magazine International Challenge was concerned was, yet again, Adams of Southwold, Suffolk, surely Britain's most confidently innovative wine merchant.

This much larger outfit, run

with flair by Simon Loftus, can afford many more passions than L&S – indeed the annual game with its instructive and attractive list is to spot this

than a particular strength.

The May list is supplemented throughout the year with a series of pamphlet enthuslasms which have recently included Australia, Austria, Alsace and, evidence that their approach is non-alphabetical, the Southern Rhapa

Lea & Sandeman's shop prices per bottle tend to be

For personal service, you could do worse than an independent wine merchant

about 10 per cent higher than Adnams', but then premises in London tend to be rather more expensive than in Suffolk market towns, even charming old Southwold. Mail order prices from the two merchants (those quoted below) are much the same, with delivery free for those spending more than 150 with L&S, and for those buying at least 24 (assorted) bottles from Adnams.

Bunch group of wine merchants (together with Joh-Armit of London W11, Corr & Barrow of London EC' & Wheeler, Laytons of Lou-NW1, Tanners, of Shrewsbury, Shropshire and Yapp Bros, of Mere, Wiltshire) which is doing its best to instill confidence in

the independent wine trade.

Below are some representative examples (whites before reds in ascending price order) of the exciting wines currently listed by these wine merchants — each demonstrating the sort of individuality that is all too

rare on the shelves of the chains and supermarkets.
Oddbins is the exception to this rule, continuing to offer wine drinkers evidence that it is on the cutting edge of the wine world. Some of its best

buys this winter are therefore

also included below.

But for really personal service, you could do very much worse than track down your nearest independent wine merchant, who is probably motivated chiefly by his or her product and a giant helping of

LEA & SANDEMAN, 301 Fulham Road, London SW10 (071-376 4767) & 211 Kensington 199

<sup>-1</sup>- 221 1982).

rine de Joy Cuvée Spe-1992, £5.87. Oak-aged y dry white made mainly m Manseng grapes (of Juraçon fame). Long, lively and so much easier to drink without food than Chardonnay.

Monbazillac 1990 Domaine de l'Ancienne Cure, £8.95. Most wine merchants worth their salt have gone scouting for a Monbazillac from this first class sweet white vintage. This one night need a little more acid for long term development but is just the luscious thing for drinking this winter.

for drinking this winter.
Chablis Premier Cru Beauroy 1992 Tribut-Dauvissat, £13.33. Fine, sleek, classic Chablis with terroir in spades. Its assertive activity should revive inded relates.

jaded palates.
Cuvée Pierre Audonnet 1993
Domaine Piquemal, £4.58. A
frank, glossy Merkot-based vin
de pays from Roussillon that
would make a delightful house

Les Dolomies Coteaux du Languedoc 1993, £5.58. Seductively scented Syrah from the Garrigue. Full, rich and flatter-

Cabernet Sauvignon Olimpo 1992, £5.98. The bottle alone looks worth double the price.

Aromatic cold turkey red.

Domaine du Deffends Clos de la Truffiere 1990 Coteaux Varois, £7.34. A great find. Handsome Provençal blend of concentrated Cabernet and Syrah that should please and impress a wide range of palates. A particularly stylish magnum (£16.95 each) would

make a delicious present.
Ch Le Grand Bourdieu 1990
Graves, £7.34. Appetising,
crisp, classic Graves with lots
of fruit and chew.

Vino Nobile di Montepulciano Riserva 1990 Dei, £9.40. Lots of punch and vigour; a good Boxing Day restorative. Savigny les Beaune Les Lavlères 1989 Domaine Chandon

de Briailles, £11.95. House wine of Moët & this soft red burgundy would make a perfect accompaniment for turkey et al with gorgeous Pinot Noir

fruit and nice, appetising zip. Côte-Rôtie 1991 Domaine Clusel-Roch, £15.86. Top quality northern Rhône red made by talented team whose sophisticated winemaking delivers a plummy, rich wine that can already delight but will be better still at the turn of the cen-

Camartina 1990 Querciabella. £17.62. Sumptuous blend of Cabernet and Sangiovese. Scented, well balanced and already approachable (although better cellared for three or four years).

ADNAMS, The Crown, Southwold, Suffolk (0502-724222).

Pinot Blanc Rosenbourg 1992 P Blanck, £6.15. Really rather serious for this useful, keenlypriced appellation. A good house aperitif for connoisseurs while the rest of the household might appreciate the more obvious charms of the Pfaffen-

heim 1993 Pinot Blanc at £4.95. Dr Loosen Riesling 1992, £6.20. First-class aperitif. Dryish, refreshing yet scented. Thresher with all their buying power charge £5.99, without delivery.

Scheurebe Kabinett Trocken 1993 Lingenfelder, £9.75. The modern face of German wine – a dry white with lashings of flavour and concentration.

Albarino Morgadio 1992, £10.75. Galicia's finest – a fine dry white palate sharpener from Atlantic-cooled Spain. Le Marigny Vouvray Moel-

leux 1990, £14.75. Great honeyed mouthfuls for the end of the meal without any heady or excess of alcohol or sickly lack of acidity. Puligny-Montrachet Clavoillon 1992 Domaine Leflaive,

early maturing white burgundy from Puligny's best address. Lirac, Les Queyrades 1990 André Méjan, £5.95. Full, powerful, licorice-scented mouthful

£25.50. A treat. A relatively

of southern warmth.

M Shiraz/Pinot Noir 1992 Victoria, £6.20. A blend of Rhône and Burgundy red grape varieties overtly traditional in Australia, a more clandestine marrage of convenience in old-fashioned burgundy, is surprisingly successful. Slightly jammy but fruit in all the right

places and ready to drink now.

Domaine du Grand Crès 1991
Corbières, £6.45. Wild southern
French wine made by an ex-Domaine de la Romanée-Conti
perfectionist from a high, isolated, beautiful vineyard.

Sablet 1993 Ch de Trignon, £6.75. Lively Côtes du Rhône. Villages red that should continue to improve over the next two years but could be order from Adnams' current Rhône offer in time for Christmas drinking.

Vacqueyras 1990 Cuvée Les Templiers, £6.95. Amazingly deep colour and very, very deep flavours. Lots of Syrah grapes in this blend which still has considerable life in it. Probably the best bargain of these three Rhônes from

Dry Country Grenache 1992 Rockford, £7.20. Non-irrigated yet juicy Barossa version of Châteauneuf-du-Pape.

Châteauneuf-du-Pape.
Lady Langoa 1990 St Julien, 59.75. Second wine of second growth bordeaux Ch Léoville-Barton, consistently reliable and under-priced.
Joseph Cabernet/Merlot 1992

Joseph Cabernet/Merlot 1992
Moda Amarone, Grilli, £12.55.
South Australia meets north
east Italy in this impressively
balanced red concentrated by
drying the grapes before fermentation. Vibrant, lively,
beautifully constructed.
ODDRINS

Nearly 200 shops around the country which try to offer the full range via well-educated staff. There are also Fine Wine Shops in London, Edinburgh, Glasgow, Oxford and Cambridge which sell smaller parcels of fine wines, notably the gorgeous Moss Wood Chardonnay at £10.99.

Reuilly 1993 Aujard Mabillot, £5.99. Very convincingly fruity Sauvignon from this close relative to Sancerre. (Buy the Menetou Salon Cuvée Vanessa for £1 more if appropriate, or the Chilean Santa Isabel Sauvignon 1994 for a rather fruitler style.)

Various north American Chardonnays £5.99 - £12.99 Some real substance here, even in the Rex Hill and Sterling versions at the bottom end of this price bracket. At the top Newton and Landmark

Damaris can also offer gloss

and some prospect of further

St Véran 1993, Domaine des Deux Roches, £6.49. Not a Mâcon trying to taste like a Côte d'or wine but an utterly satisfying rendition of this useful appellation, ultra-ripe for enjoying this winter.

Late Harvest Botrytis Semillons 1992, £7.49 and £6.99 a half, from McWilliams and Yalumba. Great rich sweet wines. Just the thing to make a meal memorable. Pity that now that the EU will allow these 'stickies' in, Australian growers have lost patience with producing them. Buy in quantity, especially the rather more concentrated Yalumba version.

Various 1993 Alsace whites, Domaine Weinbach, £6.99 – £15.99. These Faller wines are a dream – very rich and powerful, even the Sylvaner. Both the Gewurztraminer Reserve and the Riesling Ste Catherine are sublime (£10.99 and £15.99 respectively). The less expensive Sylvaner and Pinot Blanc

Terrible labels. Great value. A brace of exciting, old-fashioned, thoroughly full-bodied reds

would make great aperitifs.
Chablis Premier Cru Montée
de Tonnerre 1992 Louis Michel,
£11.99. Lively, pure, very
slightly lean. Just the ticket
for mornings, or evenings,
after – and a very good price.

Condrieu 1993 Cuilleron, £19.99. Not cheap but a taste thrill for most who encounter this extremely well made old-vine version of fashionable Viognier in its home town. Ch-Grillet lookalike bottle.

Peter Lehmann Vine Vale Shiraz 1992, £3.99. Very silly price for a wine with this much bang. Great value for enthusiasts of Barossa's chocolatethick reds. Havenscourt Pinot Noir and

Havenscourt Pinot Noir and Cabernet Sauvignon, £4.99 each. California is awash with well-made wine available in bulk (no-one wants to sully their carefully cultivated winery name with cheap estate-bottled stuff). Typical of Oddins to create its own label to take advantage of this phenomenon. Best value by far are these two reds, the Pinot Noir having a bit of age and richness to it, the Cabernet being a mouthful of very frank, lively fruit.

Peter Lehmann Clancy's 1992, £6.49. A Barossa Valley blended red with an element of sophistication.

Château Reynella Basket Press Cabernet/Merlot and Shiraz 1992 £6.49 each. Terrible labels but great value for extremely traditionally made wines from McClaren Vale. A. brace of exciting, old-fashioned, thoroughly full-bodied reds

Sterling St Dunstans Reserve 1991, £6.99. Bargain price for a mineral-scented Cabernet blend from one of the Napa Valley's pioneer wineries (not coincidentally owned, like Oddbins, by Seagram).

St-Joseph Vieilles Vignes 1992 Cuilieron, £10.99. Scented, full, very sleek and modern. Ready to beguile already. Not a rough edge in sight.

Bourgogne Hautes Côtes de Beaunes 1992, Jayer-Gilles £11.99. Scented Pinot Noir fruit with good, serious concentration. Just the thing for turkey.





### On the Cherokee trail by llama

Mark Hodson spends a night haunted by the Indian spirits and ghosts of America's past

e grabbed the reins and set off on a trail into the heart of the Great Smoky Mountains. There were 13 of us, including two guides, and six Ilamas each carrying 1001b of food and camping equipment. We would be sleeping out for just

one night, but this was America so no one thought it strange that we had packed tables, chairs, inflatable mattresses, a few bottles of chardonnay and enough food to feed a

Up close, our porters were sur-prisingly handsome. They had soft fluffy coats, large doleful eyes and. contrary to expectations, they nei-ther spat nor had fearful breath. In fact, llamas like to check humans for bad breath. Each animal walked up to us in turn and took a quick sniff before deciding we were friendly and harmless.

For reasons that were never explained to me, llama trekking is taking off across the US and there are 50 or 60 specialist tour groups from Washington state down to Georgia. Our hosts on this trip were Laura and Mark Moser, a young couple who live on a small farm in Swannanoa, North Carolina, where they breed llamas with the loving devotion of a Doctor Dolittle.

The animals behaved impeccably in every department but one. None could resist the lure of the overhanging rhododendron blooms which dangled enticingly from their branches, plump and white like for-

We were not being cruel by deny-

Our group was a random mix of mid-America. There was a lady from Indiana, a couple from Michigan, a young family from Charlotte, North Carolina, and a couple from upstate New York who had brought

kee, the smallest, and was so indulgent with him that he managed to grab a big mouthful of rhododen-drons. Laura spotted the lapse and chased him through a brook to yank the leaves out of his mouth. "I

Llamas tend to be docile and calm, even a little aloof, but each of our animals had a distinct personality. Buckshot was a burly 400pounder and a natural leader, Jakarta grumbled constantly with a running commentary of sighs and grunts. Lancelot, the eldest at nine years, was getting short-tempered and listless as he edged towards retirement. All were male: the presence of females can cause the animals to squabble or show off.

We tramped in single file beside high waterfalls and through thick fern. Mark pointed out honey locust and cherry trees, tulip poplar and doghobble. If we ran out of food

"Hold on to your llamas," said ing them the chance to nibble, for rhododendrons are toxic to llamas don't let them eat the rhododendron and just a few mouthfuls can kill. As we ambled through the forest, over carpets of moss and through glittering mountain streams, the animals would make sudden, darting lunges at the poison leaves and we had to tug hard at their reins.

> their teenage daughter for her graduation present.
>
> The children fell for the llamas immediately. An eight-year-old girl called Barney took charge of Chero-

had to massage his gums to make him let go of it," she explained.
"They like that."

arranged in a rough square.
Once, all this had been Cherokee there was always wild yam and Canadian hemlock which we could



View with llamas, trekking with animal porters is growing in popularity across the US

flavour with sweet shrub leaves. When our feet grew tired we could boil down the bark of the dogwood tree, which Confederate troops discovered during the Civil War had pain-killing properties similar to those of aspirin.

Every half hour or so we halted for "potty stops". When one llama decided to relieve himself, the one behind would get the same idea starting a chain reaction.

We set up camp in a clearing on a ridge with views of the dense forest below and, after pitching our tents. found we were just yards from an Indian burial ground where some two dozen unmarked graves were

land. In the 1830s the tribe was driven west to Oklahoma on what became known as the Trail of Tears.

It was a shameful episode in America's history and people in North Carolina still hang their heads a little when they speak of it.

round 500 Cherokee resisted the move and holed out in the mountains until 1840, when the government allotted them a 56,000-acre reservation near the Tennessee line. Some say Indian spirits still haunt these hills.

I had been on the reservation the previous day and it was a grim sight. The main settlement was a tatty strip of cheap motels, souvenir shops and "bar-b-q" shacks. At the Honest Injun Trading Shop, tourists bought plastic tomahawks and Cherokee toilet-roll holders made in

There was a tattoo parlour, a

tumbledown clapboard house with a sign advertising "FISHING PER-MITS, PIG SKINS," and half a dozen teepees by the roadside where for \$5 you could pose for a photograph with a tribal member in full headdress and face paint. The Indians call this "chiefing", their contempt fuelled by the traditional belief that

a camera can steal your soul. Along the road, poverty could be seen through every broken shutter pane. Outside the tourist season, almost half the 7,500 population is registered unemployed and the only serious money comes from two bingo halls on the reservation. All forms of gaming are outlawed in North Carolina and most surrounding states. When a \$100,000 jackpot game is held on the reservation, coaches pour in from across the south-east as far away as Florida

and Alabama

Some people come just to stare at the natives. Good ol' boys with farmers' tans and baseball caps cruise by in 1970s Chevvies and cus-tomised Pontiacs, flicking cigarettes out of their car windows. This is redneck country now. Billy Graham lives just down the road and bumper stickers declare allegiance to

Up on the ridge, darkness had fallen. The llamas had settled down for the night. We built a campfire and Mark and Laura cooked kebaba. wild rice and squash stuffed with peppers and mozzarella. We talked, as Americans invariably do at meal times, of food: jambalaya, grits and pig-in-a-blanket, the southerners poetic name for sausage rolls.

The conversation stopped dead when a barn owl screeched from a treetop and maybe one or two minds turned to the Indians buried nearby. If their spirits still haunted these parts, what would they make of us? What were these white folk doing here with their zip-up teepees and Andean pack animals? Had they driven thousands of people from this land to use it only for

In the morning I woke early to find my tent flooded. The sleeping hag was damp and my shoes were soaked through. The rain gods had

Mark Hodson travelled as a gu of American Airlines (Tel: 0345-789789) which flies daily direct from Gatwick to Raleigh-Durham North Carolina. Laura and Mark Moser are at 450 Old Buckeye Cue Road, Swannanoa, NC 28778 (Tel: 010 704 299 7155).

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Gerald Cadogan offers advice on subsidence

ubsidence became a dirty word in 1989 and 1990. Few homeowners had minded the odd crack in the walls until those successive dry years introduced serious

The public took fright, espe-cially if they lived on the clay beds of London and south-east England. Nearby trees were the cause of much subsidence sucking the moisture out of the clay. In 1991 subsidence claims against members of the Association of British Insurers (excluding Lloyd's) reached

They declined in 1992 to £259m, and last year to £134m. They should fall again this year since rainfall is back to normal, the clay is swelling and wall cracks should be clos-

But homeowners' attitudes have not regained the same equilibrium - and probably never will now that subsidence has become so scary.

Buildings are not wholly solid, inflexible objects. Many have had cracks for centuries and survive happily. Timber buildings are always moving. Cracks are not the automatic

danger they are in aircraft wings. But owners who suffered in the 1989-90 drought had a bad fright, like the James's in Woodford Green, Essex, who had to appeal to the Insurance Ombudsman's Bureau before their 1930s house was mended. In 1989 they noticed an irregular tear in the wallpaper. A crack beneath one window in 1990 became by 1991 "a complex of cracks throughout the house", said Geoffrey James. The neighbours also had the problem, so together they asked a local surveyor to investigate.

That led to an insurance claim. Loss adjusters were appointed who in turn instructed structural engineers. Early in 1991 they dug inspection pits beside the foundations. Their report in April diagnosed subsidence and recommended pollarding the adjacent trees and underpinning. It would be more efficient, and cheaper for the insurers, to do the work at both houses in tandem. Their neighbours' adjusters accepted the report and invited tenders.

But the James's adjusters held back, wanting to test their theory that, if they felled the nearby trees and cleared the shrubs, the subsoil might recover over the next two years. They proposed waiting that long before authorising work - although the adjusters for next door had said go-ahead". This was intolerable. The James's wrote to the ombudsman who advised writ-

Trees are the biggest danger. The worst offenders are oak, poplar and lime

ing to the chief executive of their insurer, Sun Alliance. Within a week he intervened and over-rode the adjusters. Work began in July 1992 and

continued until December. The underpinning was a massive specialist operation, costing £14,500. Repairs and redecoration by a general builder came to £11.800. The structural engineers charged £3,000, a botanical identification service which examined the tree roots £120 and the James's surveyor £1,600. Except for a £500 excess in the policy that James paid, Sun Alliance paid everything and the house stands firm. The sole hitch is that, wanting to change his house contents insurance policy, Geoffrey James has approached four insurers who have all turned him down, he thinks because of a question about subsidence which he finds hard to con-

nect with contents. Subsidence does not occur on sandstone or limestone, unless there is clay nearby. Clay changes volume according to how much moisture it has, shrinking as it dries out and expanding if it gains water. As the clay contracts, building foundations may settle (subsidence). If it expands, it may

push them up (heave). Insurance companies dignify the perils of Subsidence and Heave with capital letters, but heave is not such a danger. In the 14 years of his professional career Tony DeFries, of Savills Building Consultancy has "never seen a building suffer"

One house can suffer subsidence while its neighbour does not - which makes the insurers' use of postcodes, combined with geological maps to assess risk and premiums, an inaccurate tool. The clay may be thicker or more viscous at a particular point, or the construction different. Cracked drains or water mains may be eroding the soil. Older houses with lime mortar ride move ment better than new ones with cement mortar.

However, trees are the biggest danger and the worst offenders are deciduous varieties such as oak, poplar and lime. And the shallow roots of the London plane look for water near the surface. Like lime, it is often planted close to a building and causes damage.

The Building Research Establishment advises that trees should be the distance of their mature height from the building, although less thirsty trees may be half their mature height. If you think a tree is making your house crack, seek advice from a surveyor and from an arboriculturist. It may be wiser to prune the tree, to reduce its leafage, rather than cut it down. (If you are in a conservation area you may need permission from the local planning authority.) You can also trim the roots.

If your house develops cracks, assess how bad they are and identify possible



causes. Inform the insurers even if you are not making a claim. They may instruct loss adjusters, surveyors or engineers to inspect the house, soil and trees, and will ask how long the cracks have been there - in case you committed

you took out your policy. Experts will have to diagnose if it really is subsidence, or the cracks come, say, from differential rates of expansion and contraction of materials in the building. That may easily take a year, to see if the cracks close in wet weather.

the sin of non-disclosure when

The BRE's table of damage runs from nought (hairline cracking) to five (structural damage, cracks over 25mm wide requiring major repairs, beams losing their bearing and the walls leaning badly and needing shoring). Causes other than foundation movement can produce cracks less than 3mm wide - the thickness of a £1

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coin. If the crack is wider, foundation movement may well be the cause.

Category one cracks can be fixed using a simple filler. Category two cracks, up to 5mm, may need some internal wall lining and repointing outside to keep out the wet. Doors and windows may stick slightly and need easing. In category three, cracks are 5mm to 15mm wide, doors and windows stick and service pipes may fracture. In category four they are 15mm-25mm, and walls may need considerable breaking-out

and replacing. Many old houses display some of this damage and are still sound. The regulations for new houses (with foundations on clay usually 0.9m deep, and up to 3.5m if there are trees around) are so strict that subsidence is uncommon.

Those that have suffered have been mostly Victorian and from the first half of this

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century, plus some built after the second world war. And cracks can close, as DeFries has noted in a house in Hampstead, north London, where he has monitored cracks for two years for the occupier. It has now virtually recovered, and there is no need to underpin which is "a horrendous major

structural exercise". Geoffrey James recommends retaining a surveyor of one's own as "he knows the ropes and can advise on all the ensuing building procedures".

He says: "If a neighbour has the same problem, work together - not least for support on the bleak days when the family home looks set to lose its value." # A useful book, Has Your

House Got Cracks?, £9.95, by T.J. Freeman, G.S. Littlejohn and R.M.C. Driscoll is published by the Institution of Civil Engineers and the Building

Cadogan's Place

### Autumn and fall

brook in Oxfordshire. At a.

guide of £400,000, it went for

£592,000. The local family that

bought it will have to spend a

For regular sales, however,

the price must be competitive.

Pollen's End, a splendid large

Victorian house in Oxford, was on the market for a week

at film. Then realism pre-

vailed. It is now on offer from

John D Wood (0865-311522) at

Even romantics who want to

live in castles are insisting on

realistic prices. An illustration

of how the market has changed is Broncroft Castle in

the Corve valley, which

Andrew Grant in Worcester

sold recently. The asking price was £975,000. Four years ago

In Blackheath, south east

London, a wing of Vanbrugh Castle designed for his own

use by Sir John Vanbrugh.

who was also the architect for

Blenheim Palace and Castle

Howard, is on offer from

Winkworth (081-852 0999) for 2395,000. Listed grade I, it has a big 32ft x 17ft drawing room

with views across Greenwich

Park to St Paul's Cathedral

(on a clear day) and shares a

two-acre garden with the other

Most romantic of all is a cas-

tellated dairy at Fort Putnam

near Penrith in Cumbria. The

"fort" is one of three late 18th

parts of the castle.

it sold for £1.75m.

£790,000.

considerable sum doing it up.

he chancellor is notable success in the anction unlikely to bring pre- of the former rectory at Swin-Christmas cheer to the property market on Tuesday. But he probably will not do anything to make matters worse.

For the second year running the autumn trading season has dribbled away. Net sales in October, as measured by the Corporate Estate Agents Property Index (based on more than 4,000 offices), are 7.4 per cent down from September and 5.3 per cent down from October 1993. Two leading indices diverge on prices: the Nationwide cal-

culates a rise of 0.7 per cent over the year to October, the Halifax a fall of 0.9 per cent. Not all the market is in the doldrums. Winkworth, which has 31 offices across London, has had higher sales month by month from January to October than in 1993. At the top end of the market, Jackson Stops has sold Thornhaugh Hall estate in Cambridgeshire for above its guide price of £1.6m and, in Cornwall, Knight Frank & Rutley sold Bar on the Helford Passage for "significantly" above its guide of £1m.

Farms have also done well with the average value of land free of buildings rising 11.7 per cent in the first half of 1994 and 21.1 per cent in the year to June 1994, according to Savills.

If a farm does not have an attractive house, says Richard Gayner of Carter Jonas, neighbouring farmers looking for economies of scale will be the buyers. That is not true for Bluey's Farm in the Chilterns near Marlow, however, which has a brick and timber 16th century farmhouse. It once belonged to Bluey Mavroleon of the Greek ship-owning family. It goes to auction in Henley-on-Thames with a guide price for six lots of more than £1.125m. Inquiries to Cole Flatt (0442-870444) or Lane Fox (071-499 4785). In the middle range of

houses, Carter Jonas had a

century "folly farms" that the then Duke of Norfolk built on his estate at Greystoke Castle. A splendidly perverse Whigh he put them up to celebrate American victories in the War of Independence. One of the other follies is called Bunker Hill. Fort Putnam is listed grade II and is being converted to a two-bedroom cottage. It is at £75,000 from Scott-Harden Lowther (0768-64541).

**Gerald Cadogan** 

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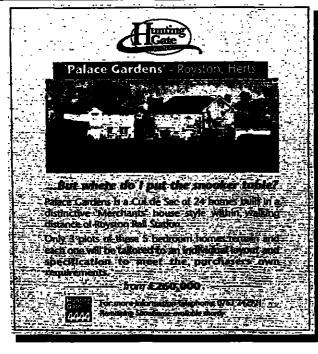
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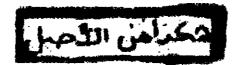
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### Gardening Blankets for the beds in winter

Robin Lane Fox on how to deal with semi-hardy plants

proved remarkably mild in the south of England and a hard winter still seems a distant possibility. The ceano-thusis are back in bud; evergreen choisysas are having a second flowering, and, out of doors, the fuchsias have still stopped. It is strange to be picking small bunches of roses when the larch trees have finally turned into the countryside's last burst of yellow.

But take no chances and believe no signs of kindness: mother nature can be cruel and I do not trust her to behave herself from this weekend onwards.

Any misbehaviour is hurtful to gardeners because we are all growing more semi-hardy plants than we used to 20 years ago. They multiply easily for the many small nurseries which have arisen since 1985. They look clean and fresh in late spring – exactly what supermarket shoppers now expect from plants. And they transform gardening in pots and small urban spaces.

Since 1981-1982, we have not had the sort of winter which makes us all swear, briefly, never again. In normal winters salvation can come in different forms. Here are the options (doing nothing is not one of them – and doing everything is

pointless).
Perhaps the geraniums are still flowering, but you are very lucky because they ought to have died weeks ago. Most of next season's half-hardy plants for pots will be much better if they are grown afresh as newly-rooted cuttings in 1995. All of my personal favourites are better thrown away, except for one or two parent plants from which cutting should be taken early next year of young growth which is being brought on under slight

Plants such as verbena

penstemons will flower less freely from their second year onwards. All you need to keep is a parent, or perhaps two, to cover yourself against disaster. The others might as well be thrown away.

The only exceptions are plants grown for their leaves. the lovely forms of scented geraniums are admira-ble companions during winter inside the house. Trim them slightly at the tips of their stems to stop them becoming straggly, but save as many as you like because they improve with age. So does the widelygrown Helichrysum petiolatum

The wrapped plants lived but their unsheltered neighbours were dead

with its felted grey leaves. It is worth training one or two plants in a large pot where they can be clipped and trained into mounds of grey leaves on a framework of arched wire from one season to the next. Otherwise, the plants which

very hard if they are tender geraniums which will otherwise become too leggy. For safe storage, they do not only need a place where the temperature will not fall below freezing. They also need light and air. In this mild spell, the dangers have been mould and mildew, especially on anything

Many of my soft plants begin the winter in a frost-proof shed, which is only frost-proof if the door is kept firmly shut. Closure encourages mildew.

which was lifted with flowers

and leaves waiting to turn

his month has heliotrope, pelargoniums and especially if you overwater. Remember to open the door on mild days and try not to water too often when your plants are only ticking over. Once every 10 days is usually quite

Perhaps this lifting sounds too energetic and you are short of storage. On the margins of hardiness, you have another option - leave the plants out-side and wrap them in a suitable blanket. A mound of bracken used to

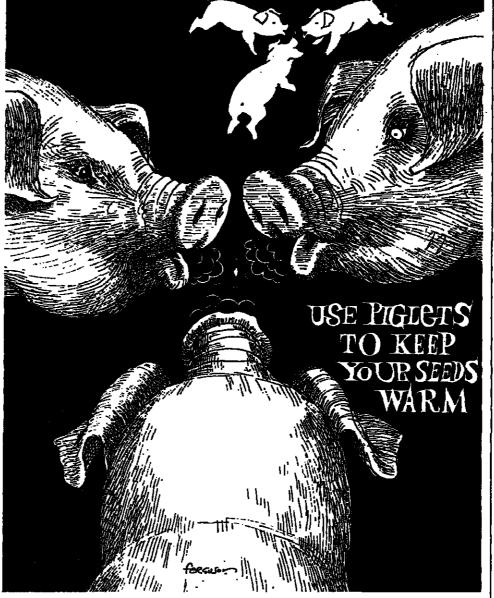
be the best answer but the business has changed - even though though most of the gardening books do not acknowledge it. Instead of bracken and rotted leaves, we can all use artificial blankets. The best of them allow water to seep through, avoiding the dryness which bracken usually causes. They take the edge off cold wind and mitigate the sharp-ness of an average frost. After three year's experimenting, I now swear by them and reckon that we all have more to learn about their possibilities.

To the trade, they are known

as crop covers and are most familiar when protecting early vegetables and seedlings. Garden centres now sell the ligh-ter grades of blanket in small pieces for gardeners with a plant or two to be protected.

These fibres and fleeces are helpful, but they are not as heavy as I would like for seriyou lift can be clipped hard ous defence of big shrubs and soft summer-flowering plants. This year I am following up my researches at the summer flower shows and opting for the Envirolleece made by Agralan. Their blankets are heavyweights on wide rolls and trade discounts should apply to those of you who need 100m lengths at a time.

Two new weights in this brand are the Agralan Envirofleece 30 which is a medium grade for small shrubs, half-hardy border plants and things such as salvias through-



out the winter, and the Envirofleece 60, a heavier grade for large shrubs and climbers. Both these fleeces are made

from polypropylene and are

easily pinned round and in front of the plants whose hardiness causes you most worry. But why bother, when a really heavy frost will have its way regardless? From my experiments in recent winters. I have found that it is worth the modest expense and effort. In generally mild winters there have been a few short sharp shocks sufficient to knock out unprotected marginals such as Hebe hulkeana, the taller daisy-flowered osteospermums and the tender forms of salvia

Those which I wrapped in lightweight fibre-blankets had survived when I unwrapped them in April. Their unsheltered neighbours were stone dead, as usual. No doubt a really ferocious winter will go through your Envirofleece and be as lethal as ever, but these gentler seasons have certainly been abated by these new pro-

The trouble is that most of them come in an intrusive shade of fleecy white which then turns dirty grey like a sheep in a wet November. Agralan have introduced a pale green medium fleece which takes the edge off the evesore and is adequate for smaller

tections.

By lifting a few parents and blanketing the best of the rest, it should be possible to avoid the casualties which disfigured gardens in the 1970s and 1980s.

Every pest is quick to outwit the latest predator and no doubt, mother nature will hit us with a really hard one just when I think that I have blanketed her out.

Until she does, fleece the plants at risk during the next few weekends; peg the blan-kets down or weight them into place with stones before the winter fleeces the plants from you instead. Agralan, the Old Brickyard,

Ashton Keynes, Swindon, Wilt-shire SN6 6QR (Tel: 0285-860015).

### Battle of the jumbos

pick up market share.

Any passenger with a con-firmed ticket who risks being bumped off an overbooked flight should stand his ground in the check-in line. Airline staff will try to persuade passengers to step aside to sort out the problem to avoid delaying the entire check in process. Those who agree will miss their flight. Those who make a fuss will get a seat, usually with an upgrade.

Liberalisation, globalisation and consolidation in the industry have other implications for passengers. For the past few years, airlines have all been jostling to form alliances, buy equity stakes in each other, and to form commercial partnerships to extend their global

reach and market penetration. The prevailing trend has been code sharing agreements. Bob Crandall, the chairman of American Airlines, the world's biggest carrier, describes these deals as "the great deception". Code sharing enables two air-lines to use their ticket codes on each other's flights. A passenger may think he is flying BA all the way from London to Cincinatti because his ticket says so, but he might be changing aircraft in Pittsburg and continue his journey on USAir, BA's financially troubled American partner. What you expect from BA is not what you may get from USAir.

Technology is also continuing to change the nature of air travel. Jet legs are getting longer. New Airbus and Boeing airliners can fly non-stop for 15 hours or more, and the manufacturers are already studying the development of 800-1,000 seat double-deck super jumbo aircraft, which could transform long distance air travel into an extended city rush-hour crush. How are you going to make 16hour non-stop journeys bear-able? Airlines are already developing new high-tech entertainment systems including electronic gambling and multi-channel videos.

Richard Branson pioneered the idea of bringing back a sense of fun to air travel when he started his airline 10 years ago. He introduced first class travel at business class prices. an extensive library of in-flight entertainment, in-flight masages, the possibility of ordering a suit just before taking off in London to be ready on arrival in Hong Kong, and, according to some of his stewardesses, the tradition of giving a resounding send off to any passengers graduating to the "mile high club"; those who succumb to the sexual arousement long flights are said to provoke.

That is Virgin's special style. but its bigger airline rivals are also adapting to the new demands of long distance travquestion of price and comfort. It is also the introduction of Egypt.

sense of well-being in the skies by becoming more conscious of the health needs of passengers.

For the future super jumbos, BA has already drawn up plans to include lounges and gyms, even possibly a swimming pool on board. Airbus has also been working on designs for its proposed A3XX jumbo with self catering cafeteria-style facilities on board to avoid the problem for the crew of feeding up

to 1,000 passengers. Mass air transport is not only becoming a logistical headache for consumers but a health hazard. This is not because modern jets are dangerous (they are far safer than road or rail transport), but because hours spent crossing time zones in a cramped cabin with the same oxygen level as Mexico City is bad for you.

Just like pilots, passengers are having to monitor much more carefully what they eat, drink and do on long trips.

Businessmen, politicians and diplomats have made serious errors of judgment straight after a long journey

And airlines are already adapting their in-flight service to respond to the new health issues raised by modern jet transport. They are increasingly offering lighter meals and introducing more long distance non-smoking flights despite the risk of losing business in some markets.
In adding leisure facilities to

their aircraft, airlines are also responding to research which suggests that it is a waste of time to work on a long flight. Studies by the Royal Air Force have shown that it is difficult to concentrate and to assimilate many new facts on a long haul flight. Jet lag is also known to cause loss of efficiency on arrival, and has led many businessmen, politicians and diplomats to make serious errors of judgment straight after a long journey.

John Foster Dulles, the late US Secretary of State, admitted just before he died to a critical mistake that probably led to the 1966 Suez crisis because of jet lag. Immediately after returning to Washington from a Middle East diplomatic shuttle, he learnt of President Nasser's agreement to buy arms from the Soviet Union. Tired and angry, he decided to cancel a big loan for the Aswan dam project in Upper Egypt. The Suez conflict followed with the ellers. It is no longer just a subsequent nationalisation of the Suez canal and war with

### Motoring / Stuart Marshall

### Range Rover is no stick-in-the-mud

This mobile drawing room can be taken for a rough ride

he woodland ride who for years has allowed was like a switchback - glutinously muddy on the peaks, deeply waterlogged in the troughs. Bushes scraped the sides of my Range Rover 4.6 HSE automatic as it dealt effortlessly with terrain on which few people would risk a valuable horse.

So what was I up to, treating £44,362 worth of air condi-tioned, wood and leather trimmed mobile drawing room as cruelly as a farmer might a battered old Land Rover?

It was all the manufacturer's doing. "Come to Eastnor Cas-tle," an executive had said. "I know you liked driving our new Range Rovers on the road; now spend a day trying them over the rough stuff." (He could have added: "Where only one buyer in 100 ever drives

Eastnor Castle estate promean the worst) terrain in Britain on which to play with a 4x4. Barring snowy wastes, rocky screes or desert sands, you can find any kind of surface that an on-off road four-wheel drive could be expected to cope with or climb up. With one exception; the proverbial high kerb outside Harrods, which is the toughest obstacle most Range Rover owners reckon to surmount. Major Ben Hervey-Bathurst, ous of all Range Rovers.

Land Rover use of the Eastnor Castle estate to test its products to destruction, could provide one if asked. This archetypal English country gentleman has managed, with the aid of bulldozers and, it is rumoured, occasional explosions by army personnel in training, to provide absolutely

everything else.
Coincidentally, I had a
Range Rover LSD - the model
with a BMW 2.5-litre turbodiesel engine and manual gearbox - on test. On the 400-mile return trip from my home to Rasinor it motorway-cruised in near silence at business motorist's speeds, rode and handled almost like a luxury car on A and B roads and returned a axle articulation keeps all the more than satisfactory 24.7mpg (11.44 l/100km). This bluff fronted, two-tonne, on-off road

vehicle is no heavy drinker. But back to serious off-road-Eastnor Castle estate provides the best (by which I mean the worst) terrain in rule for driving off-road. Never touch the brakes. On steep, shippery hills, rely entirely on the drag of the engine in low range first gear to control the

rate of descent. This meant automatics were inclined to run away. But the Range Rover has ABS brakes. I was allowed a dab on the pedal to keep the 4.6 HSE nicely under control on muddy slopes as steep as the roof of a house. No doubt the resourceful Nothing fazed this most luxuri-

An air suspension that can be set to five different heights is also standard equipment. The lowest setting is to make it easier for women in tight skirts to enter and leave with dignity. And the highest gives enough extra clearance to let it be driven over humps on which lesser machines might perch helplessly, all four

wheels off the ground. On the road, the Range Rover's heavy beam axles prevent ride comfort - good though it is - from being equal to that of independently suspended luxury saloons such as BMW's 7-Series, the Mercedes S-Class and Jaguar's XJs.

But off road, the Range Rover has no rival. Extreme wheels on the ground while the soft air suspension takes the sting out of what would otherwise be horrifying bumps. A slightly less expensive (£36,512) 4.0-litre V8 petrol

engined Range Rover with automatic transmission went just as well as the flagship 4.6 HSE but my favourite, on as well as off road, was the 2.5-li-tre turbo-diesel. It costs the same as the 4.0-litre V8. On road, I prefer automatics (a two pedal diesel is coming next year) but I still think there is nothing like manual transmission for serious off-roading.

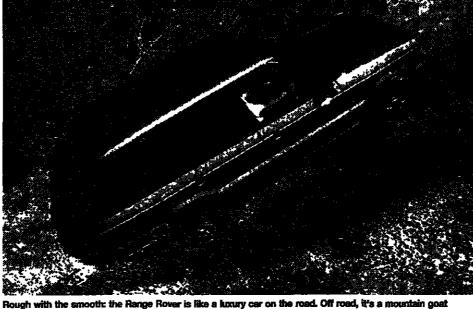
On hills on which ABS brakes were needed to curb the automatic V8's urge to run away, the turbo-diesel wound itself down slowly with the sure-footedness of a mountain goat. With bucketfuls of torque (pulling power) at low revolutions, it climbed steep slopes in third gear without excessive wheel spin.

Most of the people who drive Range Rovers - or for that matter Shoguns, Land Cruisers, Troopers and the rest -

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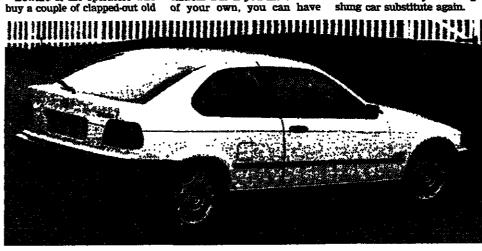
have not the slightest idea of the off-road capability that has been built into them. Many are not interested. But any who are should take advantage of the off-road driving courses offered by the manufacturers and independent specialists.

Land Rovers and rent a disused quarry. Vince Cobley, who runs off-road events in Northampton-

shire, says an inexperienced driver of a 4x4 on rough terrain can be a disaster. His firm, Pro-Trax, can provide vehicles and tuition. But if you have a 4x4 Beware of the operators who

tuition and then try serious offroading on a course that will leave your vehicle dirty but undamaged. Call him on 0536-770096.

After a day's driving through mud and water, I promise you will never look upon your onoff road 4x4 as just a high-



### A BMW to tempt Golf and Escort drivers

MW stresses that its new 3-door Compact is not a hot batchback but a smaller, more affordable version of the 3-Series saloon. Although 9ins (22.5cm) shorter, it has the same wheelbase and interior. What you lose in luggage room - and it is not very much - you gain in accessibility by having a tailgate instead of a boot lid, plus split folding rear seats.

Prices of the eight-model range start at a remarkably low £13,350 for the 316i and go up to £18,020 for a 318ti Lux automatic. A 318 tds turbodiesel, priced around £14,500, is due early next year.

The two Compacts I sampled were the cheapest 3161 and 318ti (£15,290). They were typical BMWs in every way: rear-wheel driven, solidly built, well mannered and refined, with a suppressed eagerness. Of the two, I preferred the 316i (pictured). Its 1.6-litre, 8-valve, 102 horsepower engine sounded sweeter than the more vigorous (140 horsepower) 16-valve 1.8-litre.

less argent - though still more than adequate - acceleration and lower theoretical maximum speed because it was a car with which one struck an instant rapport.

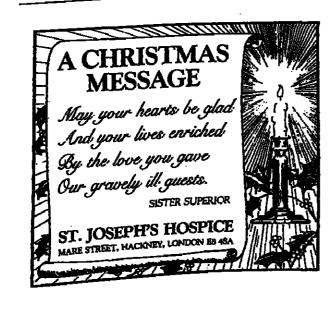
I felt I could live with its

average fuel consumptions of 38.2mpg (7.41/100km) for the 1.6-litre and 34mpg (8.31/ 100km) for the 1.8-litre. The turbo-diesel should return 47.9mpg (5.9 l/100km).

Standard equipment includes ABS brakes, driver's side airbag, power steering and central locking with immobiliser – but you must buy your own radio.

BMW GB says the Compact is designed to attract former owners of the lapsed, oldshape two-door 3-Series. No doubt it will. But I can see it making plenty of VW Golf, Ford Escort and Vauxhall Astra owners contemplate Sensible drivers could expect buying their first BMW.

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## Clough: a top boss but no saint

Philip Coggan tackles a controversial autobiography

assume that sporting heroes are all-round lovable individuals. Even though Paul Gas-coigne can dribble round

defenders and find a colleague with a 40-yard pass, he would not be most parents' choice as the ideal son-in-law. It is thus with a heavy heart

that one approaches Brian Clough's autobiography. Much as one admires the man's managerial record, his strident television appearances conjure up fears of a 200-page long taxi driver-style rant.

The book is not that bad, although the first chapter might have come from a Monty Python style script conference. The opening sentence - "If ever I'm feeling a bit uppity, whenever I get on my high horse, I go and take another look at my dear Mam's mangle that has pride of place in the dining-room" - is ripe for delivery by Michael Palin.

Later on, we get Clough the philosopher: "It's not the fash-ion to say this nowadays, but a woman's job is to be there (in the home)." Thanks, Brian, but Bertrand Russell can rest easy in his grave.

One unexpected emotion that leaps out of the football-ing section of the book is sadness. His playing career was cut short by a knee injury, without the international recognition that he clearly felt he deserved, and his record appears to justify (204 goals in 222 games for Middlesbrough but only two caps for England).

His outspokenness ensured that he never became manager of his country but now, ironically after his retirement, the

cricket that when I passed a small exhibition of sporting art

the other day, I went in to look at its pictures of cricket.

They are in the right spirit

for the Ashes struggles. The

poster advertising the exhibi-

tion is taken from a screen-

print of a batsman at the

wicket, his bat, front pad and

gloves closely aligned as the

only hope against the bowling.

When you look at the picture,

you are looking down the wicket at him. The picture is called *The Gladiator*, and that

is how the artist, Andrew

Aarons, sees every modern cricketer – "a hero, a gladiator,

going out and conquering".

Trying to conquer, at any

rate. Long spells of defeat

makes the contest, such as

England cricketers and cricket

fans were experiencing until

last summer, grim as well as

In the winter of 1992-93.

England lost all four tests

against India and Sri Lanka,

before going on to lose their third successive Ashes series

the next summer. When Mike

Atherton took over the cap-

taincy from Graham Gooch,

and won the 1993 Oval Test,

too late to save the series, it

was England's first Test vic-

tory in 19 Tests against Austra-

As any English cricket fan

knows, watching a losing team is hard work. And so is playing

in one, with the constant

expectation of more failures to

come as well as those already

accumulated. In the unlikely

event of a triumph, such as

Graham Gooch's courageous 65

and 133 against Australia at

Old Trafford in 1993, it is a solo

triumph, bereft of team sup-

port. When Gooch performed

those heroics, only one of

England's other first six scored

as many as 30. No wonder Aarons speaks in

fighting language of those who

watch sport. "They are partici-

pating in the contest; they are out there for the kill and the

Spectators in Aarons' pic-

tures watch their heroes

keenly, fiercely, aggressively.

With crowd uniforms differen-

tiated from each other only by

brightly coloured ties, they

urge fearful batsmen or bat-

tered boxers to keep fighting.

It is interesting that Aarons

sees cricketers, boxers, sumo

wrestlers, tennis players and

iockeys as the great champions

blood."

ews of England's

exploits at the start

of their Australian

tour made me so sick for internationa

t is a common mistake to Football Association has assume that sporting finally appointed a coach with heroes are all-round lov-Clough-like devotion to the

passing game. He lingered on as manager of Nottingham Forest too long, as he readily admits, so his distinguished career ended, not with an FA Cup final appearance in 1991, but with relegation in 1993. By that stage, his youthful good looks had gone and his face revealed the ravages of a problem confessed in the epilogue - he drinks too much.

Then there are the breakdowns in personal relationships which litter the book. His appointment as skipper split the Middlesbrough team into two camps. He describes his first chairman as "one of the most evil men I have ever met". He encountered sullen hostility from the players at Leeds and lasted only 44 days in the job. Saddest of all is the break-up

with Peter Taylor. It is easy to forget but the greatest suc-cesses of Clough's career - the League championships, the European Cups - were achieved as part of a double act. Taylor spotted the players, Clough motivated them.

What kept the duo going was the "cheeky chappy" element of Taylor's personality. Clough's fondness for Taylor, which excused the latter's habit of "slipping off" home at the earliest opportunity, was perhaps due to his assistant being the only person at the club who was not intimidated by him. While the odd player gets an honourable mention, such as John Robertson and John McGovern, the book is

Yet in the seven years that

preceded Taylor's death,

Clough admits that he spoke

only a few words on the telephone with his old colleague. They had fallen out when Taylor, then manager at Derby, had poached Robertson from Nottingham Forest. One revealing passage in the book says it all: "It was an

astonishing and bitter end to our relationship, but my conscience was untroubled. I didn't instigate it." That fierce pride kept Clough apart from his old friend. And pride also lies behind

the most controversial part of the book - the section dealing with the Hillsborough disaster. Yorkshiremen are often proud of their plain speaking, of their willingness to call a spade a bloody shovel.

When it applies to criticism of chairmen, football commentators or FA bureaucrats, plain speaking can be amusing. But when the subject is a tragedy.

when the only result of your words is anger and anguish among the relatives and friends of the dead, then the wise man keeps his silence, however sincerely held his

me from a Monty Python style script conference

Therein lies the paradox of sporting achievement. The same pride that causes Clough to give needless offence is the quality that kept him going through the disappointments of a wrecked playing career, the departure at Derby and the

he Rugby Football

Union has embarked

on a crusade to win

hearts and minds or,

as the RFU puts it characteris-

tically, to "transmit the rugby union message". This cam-paign has already achieved one

extraordinary feat: that of hav-

ing a slogan which surpasses

in staleness and fatuity any-

thing the political parties man-

aged to dream up for their

The rallying cry is - hold your breath - "Rugby Union Rules OK". Catchy, eh? In a publication called "Working With The Media", it is pres-

ented in the form of a mne-

monic. Thus, "R is Rugby" the

greatest game in the world. "U

is for Unconverted", not tries, but people who do not realise

that rugby is the greatest game

in the world. "G is for Grass-

roots rugby" the greatest game in the world at its lowest level.

Fort's aide de memoir would

have proceeded rather differ-

ently. "R is for Roughhouse" if legalised maybem is to your

taste, this is your game. "U is for Ugly" no prejudice here. "G is for GRRRR" the battle cry of

front rows preparing to

engage. When we come to B in

And so on.

autumn conferences.

short stay at Leeds. And Clough was undoubt-

edly in the top drawer of managers. Not only did he win the Championship with two different clubs, but Forest retained the European Cup - both extremely rare achievements. Not only was this done with a slick passing and entertaining style and an excellent disciplinary record, but it was done

at clubs with modest resources. Alex Ferguson, with all his Manchester United internationals, is struggling to qualify for the last stages the

European Cup. How did Clough do it? Readers hoping for the magic tips to managerial success will be disappointed. Clough insists he kept it simple - defenders had to tackle, and centre forwards had to score.

Apart from that, his main secret was to keep the players relaxed and to insist on train ing with the ball, rather than

By the end of his career, that admirable precept had become a weakness, as Forest players failed to match the fitness of their opponents.

But maybe simplicity was the secret. Sport is too often over-intellectualised. An iron will, allied to a few basic principles took Clough to the top. It did not, as his autobiography reveals, make him a saint. ■ Clough, the Autobiography

by Brian Clough with John Sadler Partridge Press, £16.99p.

Rugby/Tom Fort

Bloodletting and beer

### Cricket Gladiators captured by the artist

Teresa McLean visits an exhibition



of modern sport. They give their followers an individual truth. Aarons paints rugby scrums, with a corporate muscularity in numbers, but he rarely paints cricket teams, nearly always individual crick- porary cricket. He does not

eters. He is an artist, not a coach, and is free to hold team spirit in artistic contempt. It was no surprise that he picked Ian Botham as the

supreme gladiator of contem-

paint Botham, or anyone else, as an identifiable player, but as an embodiment of cricketing ment. "He's got this incredible personality. You know, when you're at Lords and he's walking to the middle, this tiny little dot, and he's radiating power."

Bowlers pile on the pressure, but batsmen are the ones who have to survive. Aarons told me how he learnt this from experience. He went to Cam-berwell Art School when only 13 years old and in his first summer went on a school outing to the Isle of Wight. The man who ran the youth hostel where they stayed was a cricket fanatic and challenged the art school to a game.

Camberwell was the home of one of the first fine cricket artists, Nicholas Wanostrocht. nicknamed Felix. Felix painted many an early 19th century cricket portrait and invented the awesome Catapulta bowling machine to teach schoolboys how to bat. The art school had a tradition to uphold.

Aarons saved Camberwell's honour by turning, nicking and snicking the Isle's fast bowlers for at least 40 runs, far more than anyone else on his losing side. From that day he was a cricket addict.

His wicketkeeper, guarding the entrance to the exhibition with huge, gloved hands, is drawn in Conte crayon which suits the wicketkeeper's job. Everything is black and white with sudden dashes of grey. No colour needed.

Aarons finds wicketkeepers breathtakingly exciting. I could not agree with him that they stand much closer up to the stumps nowadays. Surely no contemporary 'keeper would stand up to Alec Bedser's fast medium swingers as Godfrey Evans did in the 1940s. But I know what he means by the special flamboyance of today's wicketkeeping, using television replays to emphasise its spectacular achievements.

Aarons gives us a creative, handmade version of the dramas which cricket photographers record. He continues cricket artists' custom of making a good number of etchings and prints, so cricket lovers can afford his art. They are not cheap, but cheaper than paintings. His Gladiators screenprint costs £225 plus VAT. A small selection of Aurons work remains on show at The Bodilly Galleries, 71 Lensfield

Road. Cambridge.

this publication, the extent of Arnie Wilson and Lucy Dicker of 1994 on a round-the-world trip. With five weeks to go, they are in North America.

here is another Colorado. Off the beaten track, far away from the glitz of Aspen, the might of Vail and the great Ski the Summit circus of Breckenridge, Keystone and Copper Mountain, are the folksy old ski hills of which few British skiers have ever heard. "Most skiers leaving Denver

have tunnel vision," says Rob Linde at Eldora, the nearest of the "front range" resorts to the mile-high city. "They put their foot down on Interstate 70 and head for the

Eisenhower Tunnel and the

famous resorts on the other side," he explained. It takes a little imagination, perhaps, to turn off and explore resorts such as Eldora, Loveland and Winter Park the cop-out becomes clear: "B this belongs to the dark ages. is Blast Out The Message" that rugby union is the greatest et cetera et cetera. But to 99 per cent of those who play the greatest blah blah, B stands for nothing of the sort. "B is for Beer" the fuel on which rugby

Nowhere does the pamphlet mention the stuff. There are pages of worthy advice on get-ting youngsters off street cor-ners, blending healthy athletic exercise with the unique bonds of friendship which a team game bestows, and so on. But there is not a squeak about the activity which in any rugby club comes second only to the business on the field - and in a good many takes precedence even over that - namely, tip-ping your head back and pour-

ing ale down your throat. The heart of a rugby club is its bar, and its purpose is to slake the mighty thirst of play-

ers and supporters. But the collective mind of the powers at Twickenham has turned to higher ideals. The ethos of white wine and soda appears to prevail, and the air is thick with exciting concepts of marketing, image-enhancement, community links, Muddy boots, jugs of bitter, carthorse props with vast paunches, all

Rugby union is becoming clean-living, diet-conscious, media-oriented, self-aware. The central message in this document is that the game

must be "bolstered and promoted". To be fair, much of the advice it contains on how to secure decent media coverage is sound, if rather obvious. But while it is full of tips such as

> 'The recurrent theme is that immense quantities of beer have been consumed'

this: "Newspapers, radio and television love children. They make good copy", it is conspicuously silent about the other species of story beloved of

inquiring hacks. These are the tales of pillage and destruction, of hotels and bars drunk dry and wrecked, of air hostesses leered at and pinched, of bottoms bared; of loutish pranks, dirty dittles, rampant rowdyism and cafish-ness. The recurrent theme is

that immense quantities of beer have been consumed. Nor does the RFU have any-

thing helpful to say to its press officers about another murky aspect of the greatest game: foul deeds on the pitch. They are urged to titillate sports editors with jolly items about long-serving tea ladies, monoglot Japanese recruits, and photogenic women players.
But are they to be equally

forthcoming about the sku-liduggery and criminal nastiness which reduced last Saturday's local derby to a tribal bloodletting? The RFU may prefer to pre-

tend that rugby is a game for anyone, of whatever size, sex. colour, creed, age, tempera-ment and taste, who happens to enjoy chasing an oval ball around a playing field.

It is, in fact, a tough, rough messy, muscular form of war-game, forbiddingly complex in its rules, immensely difficult to play well, with an ineradicably dark side to it. It is for people who have a tough, rough side to them, who enjoy doling out a little punishment and do not mind taking it, who relish getting hot, dirty, bruised and exhausted and who, generally speaking, fancy a pint at the

### FT Ski Expedition / Arnie Wilson

### Denver detour

which do not have the interna-skiing in Moose Glades and tional clout of Aspen, Vail or Summit County but attract local skiers from Denver. The road to Eldora takes you into another world - through Pickle Gulch and Gold Dust Village into the old gold-mining territory of Black Hawk and Central City.

They still pan for gold here Vic's Panning shack is one of many still operating. And if anyone hits pay-dirt, the casi-nos - Rich Man, Gold Mine and Bronco Billy's - or Prospectors Poker Parlor and the Silver Hawk Saloon are handily placed to ensure the spoils are quickly ploughed back into

the local community. Apart from some good, steep Jolly Jug Glades, and some tough runs such as Ambush and Psychopath, Eldora is most famous for being kind to snails.

It has won friends by helping in a study of the rare Rocky Mountain capshell variety, claimed to be among the oldest living creatures on earth. After sending in teams of divers to investigate, the resort started limiting the amount of water taken from Peterson Lake for snow-making in case its demands were reducing the snall population.
Winter Park is kind to local

pond-life too: the trout population has been protected by building a culvert over a

stream which crosses the slopes. Owned by Denver, Win-ter Park supplies much of the city's recreational needs in winter and summer. With 113 trails and a vertical drop of more than 3,000ft it is one of the largest ski areas in the US but has little international traf-

It is also just about the only significant ski area left in the west still served by a ski train. The Rio Grande train leaves Denver's Union Station each Saturday and Sunday at 1.30am for the spectacular 70mile journey meandering through rocky gorges and almost 40 tunnels to the ski area, leaving again at 4pm

Loveland claims more terrain than Aspen Mountain, A higher base than Steamboat's summit and more snow than almost any other Colorado resort, yet most skiers roar past it on their way to Summit. County and Vall.

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Scene from "Love! Valour! Compassion" by Terrence McNelly, the first big hit of the season playing in the non-profit making Manhattan Theatre Club

### rama on off-Broadway

Karen Fricker reports on the changing face of New York theatre

ight this be the year that the Tony Awards will be finally forced to change? Though it has been true for years that the centre of the American theatre has shifted off-Broadway and to the regions, the Tonys, the annual awards that are the most visible manifestation of American theatre, have maintained their policy of honouring only Broadway shows. But recent events have sounded Broadway's death knell louder than ever before.

First was playwright Neil Simon's announcement that he is bringing his next play, London Suite, to an off-Broadway theatre when it reaches New York after its current Seattle engagement. "It's just not economically viable for us to go to Broadway any more," said Simon of his decision; bringing a straight play to Broadway costs a minimum of \$1.5m, as opposed to \$0.5m off-Broadway. This is a scathing indictment indeed from the only American playwright whose name still guarantees a certain level of financial success on

Broadway. A further blow was struck with this week's announcement that Tony Kushner's Angels in America, the most lauded and hyped Broadway play of the past decade, is to close on December 4, felled by dwindling audiences and high overhead costs, having recouped less than 70 per cent of its backers' investment. Meanwhile, the best-received American play since Angels, Edward Albee's Three Tall Women, continues its healthy run at the Promenade Theatre - off-Broadway. Only one new American play is set to open this year on Broadway, while off and off-off Broadway is buzzing during the busiest theatrical autumn in recent memory.

ence McNally's warm and very funny ser-io-comedy Love! Valour! Compassion!, which is playing at the non-profit making Manhattan Theatre Club through January 15, with plans for a commercial transfer.

Unabashedly gay in its milieu and view-point, and addressing as it does the search for love and the ever-presence of death in the age of Aids, the play inevitably begs comparison to Angels in America, but Love! Valour! Compassion! neither aspires to nor achieves Angels' scope nor its level of socio-political commentary. McNally's gift is his ability to create believable characters and evocative situations in which exhibit their foibles and strengths, he also writes some of the best laughs lines.

his play finds McNally straying further from the traditional domestic comedy form than he has in recent years - characters break from the action to speak directly to the audience, and time flows freely between flashback and forward action.

The play follows the events in the lives of eight gay men over three holiday weekends in an upstate New York country house. As the house's owner, famous choreographer Gregory Mitchell, endures and overcomes creative block, his angelic, blind boyfriend fends off the advances of a sexy Puerto Rican dancer and tries to find sense in his sister's tragic death. The 14year perfect-couple relationship of Perry and Arthur endures quiet crisis ("we're role models," explains Perry, "it's very stressful"), while Buzz, a musical theatreobsessed, HIV-positive costume designer falls in love with James, an Aids-infected Brit who comes to America to mend the only weak link.

The first big hit of the season is Terr- bridges with his mean-spirited twin brother (both twins are played, in a bra-vura turn, by John Glover) and to die.

But to dwell on plot is to miss the point. The play is at its weakest when it gets hung up on storytelling and at its best at evoking that languid holiday atmosphere in which nothing much seems to be happening, except moments that the characters will remember for the rest of their lives: bantering exchanges in hammocks and on lakeside rafts; spontaneous skinny dips (frontal nudity is rampant in this play as is, for that matter, ribald language); dinner parties that unexpectedly turn ugly; over-competitive tennis games; charged late-night encounters.

Joe Mantello's lovely, intelligent production meets the play more than halfway, playing up its lyrical qualities without stinting on pace. Mantello and set designer Loy Arcenas have wisely given the production a unstructured, non-literal design, creating a heightened world in which the play's breaks from naturalism make perect sense.

The ensemble is, on the whole, first-rate. Stephen Spinella, in his first performance since his double Tony-Award winning turn in Angels in America, is admirably restrained as the uptight businessman Perry. Nathan Lane, one of America's funniest actors, reveals the breadth of his dramatic talent in the showman's role of Buzz: his transformation of a third-ac speech about why life should be more like musical theatre from a show-off rant to an agonised cry beautifully captures the play's funny-tragic spirit. Stephen Bogardus, sporting an unconvincing stutter and an uncomfortable manner as Gregory, is

### Arts face Budget blues

Antony Thorncroft argues the case for cash-strapped companies

until the cavalry arrives. "No", says Mary Allen, secretary general of the Arts Council. "Yes", says Stephen Dorrell, the heri-tage minister.

The nation's arts companies are grappling with unprecedented debts of at least £12m. The National Lottery is coming to their rescue, with the first grants in April By then it could be too late for some. The lights are going out in January at the Salisbury Playhouse and the Redgrave at Farnham. The Yvonne Arnaud in Guildford is under threat. The Everyman in Cheltenham has been forced to embark on co-productions with the nearby Bristol Old Vic. The Northcote at Exeter has become a receiving house, not daring to risk its own productions. Regional theatres have collective debts

of £4m. Regional orchestras have deficits totalling £1.8m. Of the flagship companies, the RSC, the National Theatre, the ENO, and the Royal Opera House Covent Garden have combined debts of over £5m and the South Bank Centre is £370,000 in the red. The trouble is that the arts

have cried wolf so many times before that the Treasury , not their most stalwart supporter, is likely to be indifferent to their fate in Tuesday's Budget. But even if there is nothing but an inflation increase in Stephen Dorrell's paltry budget of around £1b, he still has the power to divide it up, giving more to the arts at the expense of sport, heritage or the British Library. He can, at the very least, restore the £3.2m axed from the Arts Council of England a year ago. This, plus an inflation increase of around £4m, should be enough to keep the shows on the road.

Dennis Marks, director of the ENO, sums up the problem. The ENO is having a good sea-

an the beleaguered son, playing to 78 per cent of over a real, but temporary, criwagon train hold out . capacity, way above the 60 per cent of a year ago. "If we get a grant that reflects inflation, in three years time we will have reduced our current deficit of £3.1m to just £1m. If we get the standstill grant we are promised our deficit will stay the same: we will be throwing money into a black pit".

The return of the £3.2m, which is what Arts Council chairman Lord Gowrie has modestly put in for, could be enough. It would tide the arts sls. For, if London is any indicator, the recession is over. The Big Four, which absorb over £50m of the English Arts Council's £186m budget, are doing rather well. The Royal Opera House is currently hitting 90 per cent of its financial capacity and hopes to knock another £600,000 off its £1.3m deficit while the RSC is matching the 83 per cent houses it

The National Theatre had a

### Help lines for the beleaguered

Fears that next week's Budget will be bad news for the arts have been tempered by anticipation over the National Lottery jackpot. Potential applicants can now apply for the cash – expected to be about £250m annually.

The Heritage Fund published its guidelines for applicants last week; the Arts Council announced details to clients yesterday. Telephone 0171 649 1345 to obtain a simple guide for potential heritage projects. The Lottery Line at the Arts Council can be reached on 0171 312 0123. Both will accept applications after January 4, 1995.

There are few surprises in the guidelines. The Arts Council does not expect to make grants of less than £5,000. Commercial operations can apply, prorided the project will benefit the public. But in the main it will be charities, local authorities, schools and colleges and amateur groups that will receive the promised millions.

The money will be spent constructing new, and improving old, buildings in which the arts and crafts can flourish. The determination

achieved last season. bad summer, partly because not to allow lottery money seep away in day-to-day running costs remains, but grants can be used to buy equipment and to commis

sion works of art. This

should enable arts comp currently receiving subsidy

to devote more money to pro-The range of potential applicants covers circus, mime, film, video and crafts, as well as drama and music companies. If more than £100,000 is needed for the scheme the organisation should be able to contribute 25 per cent of the total cost; for smaller projects at least

10 per cent is expected. The key aim remains "to give the maximum benefit to the public by supporting projects which make an impor-tant and lasting difference to the quality of life of people throughout England."

In contrast the Heritage Lottery Fund can offer endowment money in special circumstances and will take a flexible attitude towards partnership funding.

Next week the Millennium Commissioners will reveal their eagerly awaited guidelines and applicants can then decide which body to go for.

ter, but bringing back the money spinning The Wind in the Willows should keep any deficit on the year to under £500,000. The South Bank is reporting a sudden uplift in support, with the LPO, its house orchestra, attracting audiences of 83 per cent.

In the regions, however, audiences are staying at home. The enervating financial struggle forces artistic directors to walk a tight rope between imaginative work and commercial fare that might guarantee good box office receipts. But as Covent Garden and the ENO discovered a year or so ago, there is a limited market even for traditional favourites.

Such a safe approach is anathems to the committed modernists, like the 87 playwrights who this week bemoaned, in a newspaper letter, the lack of new plays being produced and sought a nationally ordained quota of new works. In fact the proportion of new plays put on in 1993-94 -just over 3,000 out of 14,613 productions in the 70 theatres aided by subsidy - is roughly the same as a decade ago, but theatre managements dare not risk presenting plays which

are likely to lose money.

This is the leap of imagina tion demanded of Stephen Dorrell. His first comments suggest he judges artistic success by the size of the audience.

This bottom-line approach makes sense if the audiences are attracted by dynamic new productions, but is artistic suicide if companies go for short-term box office salvation. Risk is what the arts are all about. A diet of safe productions - theatres putting on Ayckbourn and Willie Russell, opera houses reaching for their Puccini and Mozart - soon becomes stale, the bedrock audience withers and the young are not attracted.

### Creamy notes from Vienna

he Vienna Philharmonic's visit on Wednesday invited comparison with the splendid Bavarian Radio Symphony Orchestra at the Barbican two days earlier. But comparison would have been easier if both orchestras has played in the small hall. Whereas the Bavarians' resounding, vastly spacious account of Bruckner's Eighth Symphony under Lorin Maazel had room to breath, the analytical dryness of the South Bank did little to flatter those famous Viennese strings.

Still, they came out of it pretty well, and gave us a real helping of whipped cream in the Brahms Hungarian Dance which they played as their sec-

Originally, Giulini had been billed to conduct, but he had cancelled some time ago, and James Levine made something

Unfinished Symphony and Brahms's Fourth from the kind of performances we might have expected to hear from Giulini. Levine kept the Schubert on the move - quite rightly so, for the Symphony is often taken too slowly, with both movements too close in tempo and too much alike in

Levine himself stayed nally still, his baton travelled merely a few inches except when he wanted to rouse the orchestra. His overthough the playing was lovely, it was well on the way to being bland. You got the feeling the orchestra could have played as well on automatic pilot, for they certainly play as

an ensemble. Brahms's Fourth Symphony was given a lot more impulse - as well it should. The first

movement took on such very different of Schubert's momentum, it seemed likely to run away with itself. But it did not, and the closing moments were thrilling: rather too thrilling for the impact of the work as a whole, for the great cumulative structure of the variations in the finale lacked a certain tension. despite many beautiful

moments, including a gorgeously rounded flute solo. One of the individual features of the Vienna Philharmonic is the elegantly burmished sound of their horns: they played like a dream in the trio section of the scherzo. whose rumbustious outer sections were much more refined than usual. As a whole, the performances seemed too suave to be heroic.

Sometimes the best of a concert comes once the official programme is over, and so it was here. For the first encore. pered the final ballet of Schubert's music for Rosamunde as if it were their favourite child. The tiny gradations of pianissimo on the strings, the mellow blend of the woodwind, the gently pointed phrasing this is why we have come to hear the Vienna Philharmonic.

Adrian Jack

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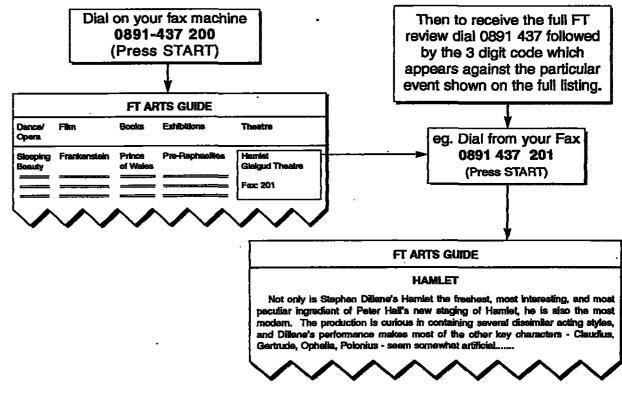
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ences, three doctors of science and

12 PhDs. His brain was sliced into 30.963 sections and lodged in a special institute where it was compared with the lobes of lesser geniuses. Although horribly withered by the cerebrai disease which killed him at the age of 53, this organ was periodically reported to have quite exceptional features – until, that is, Dr Oleg Adrianov pronounced in January: "In the anatomical structure of Lenin's brain there is nothing sensational."

Lenin was sensational in one

### Lenin: true father of The Terror

Recently declassified Soviet archives are revealing Russia's hero in a new light, writes Christian Tyler

gonov. He was the greatest revolutionary of the century. For the rest, he was as fallible as any man though much more callous. Unable to govern once he had grabbed power, he sought refuge in violence. He was the true father of The

For 25 years after Nikita Kruschchev had denounced Stalin's "mistakes", says Volkogonov, the Russian people asked themselves where Stalin had acquired his cruelty. "None of us - the present author included - could begin to imagine that the father of domestic Russian terrorism, merciless and

totalitarian, was Lenin." This biography comes with two over other, perhaps more literary, portraits. One is the elegance of Harold Shukman's English translation. The other is the remarkable personal history of the author.

Dmitri Volkogonov, a military historian, was once a loyal slave of the system whose roots he now seeks to dig up. His father was executed on Stalin's orders and he grew up with his mother in a political exiles' labour camp in Krasnoyarsk, western Siberla. He was a young tank commander, a highranking commissar and propaganda expert. As he told this reviewer when his biography of Stalin appeared in English: "I accept that I was one of those who

way, however, says Dmitri Volko- attributes which recommend it did a lot to strengthen the totalitarian system.

A former general in the Red Army and subsequently President Yeltsin's military adviser, he com-

manded the forces that shelled the

LENIN: LIFE AND LEGACY by Dmitri Volkogonov HarperCollins £25, 558 pages

recalcitrants in the Moscow parliament building last October. Above all, he was chairman of the commission responsible for declassifying the Soviet state. Communist Party and KGB archives.

In the painful process of his own recantation, says Volkogonov,

tion to fall. In the book he presents Vladimir Ulyanov as a gentlyreared professional revolutionary with a compelling mind and wolfish eyes, neither vain nor personally cruel but driven by promiscuous and ruthless rage against his

real or imagined enemies. He stripped the liberal and democratic content out of Marxism and swore allegiance to the fanatic principle that everything is justifled - treason, civil war, terror - in pursuit of the goal.

Lenin was an intellectual who read Aristotle and Spinoza and who described intellectuals as the "shit" of the nation. He seethed with hatred for the kulaks but, says his

Leninism was the last mental bas- biographer, would have been among the first to be purged if he had not sold the family estate.

Among the facts that lay hidden in the archive were details of his ancestry (Jewish, Asiatic and European as well as Russian), of the German financial support for his Bolshevik party, of his nervous disorder and final mental illness, of his direct responsibility for the murder of the Tsar and his family.

Lenin ever esponse a more liberal economic system. "War communism" was his chosen method and the so-called New Economic Policy merely a temporary stratagem forced on him by circumstances. "It is the biggest mistake to think that NEP will put an end to the terror," he wrote to Kamener in 1922. We shall return to the terror and to economic terror".

Volkogonov makes lavish use of the files to sustain his thesis that Lenin's ideas - his habits of mind rather - characterised Soviet "par-tocracy" until the very end. By way of illustration he quotes from a 1987 polithuro meeting where we hear Gorbachev speaking of Lenin's genius, Ligachev worrying about Trotskyism and Shevardnadze unhappy with the phrase "liquidat ing the kulaks".

The October Revolution of 1517 was in fact a counter-revolutionary coup, according to Volkogonov, H Nor, argues Volkogonov, did created a political culture that still permeates the Russian citizenty. In worshipping the 'genius of abuse' we cultivated a slavish paychology in ourselves."

The icon may have been smashed, but worship is more powerful than knowledge.

### Victorian who designed himself

Asa Briggs admires a new biography of William Morris, artist and socialist extraordinaire

o Victorian, eminent or othercritical of his own age than William Morris, who was born three years before Victoria came to the throne and died five years before her. "Apart from the desire to produce beautiful things," he wrote in a memorable passage in 1894. "the leading passion of my life has been and is hatred of modern civilization.

Yet for all his discontent and for all his protest, he belongs unmistakably to the 19th century - even when he compares it unfavourably with the 13th. or strides into the future. He proves that the Victorians were their own best critics both when they examined Victorian achievements and when they probed Victorian values. In his energy, which faltered only at the last, and in his amazingly wide range of achievement Morris was characteristically Victorian. The manifold things that he made

belong to that century also. The first biography of him, by J.W. Mackail, appeared before the century and the reign was over. Since then there have been many other biographies and many detailed and scholarly studies of Morris's contributions to the making of embroidery, tapestry, stained glass, wallpaper textile dyeing, printing and weaving, book production. And there has been a devoted, sometimes uncritical, interest, frequently on the part of two separate groups of admirers, in his political views and actions, and in his conceptions of design.

Morris himself, unlike them, saw his life as one piece. It was to a fellow socialist that he wrote in 1883, the year when he declared his new political commitment, that almost all the designs used in his business "I design myself. I have had to learn the theory and to some extent the practice of weaving, dyeing and textile printing: all of which I must

his is a powerful, commit-ted and well-written book

horrors of hanging and then seeks

to explain the process by which hanging from the 1830s was con-

fined to murderers and from 1868

was no longer carried out in public

This is not seen as a triumph for humane sensibility or reform, both of which are presented as having

serious limits, but rather as a shift

in the balance of terror by which

control was imposed. For Gatrell, "the abolition of public execution

spoke for anxiety, not compla-

The poor, still voteless after the

1867 reform act, excited the con-cern, even fear, of the elite, and

hidden executions were seen as a

more effective form of control. The

elite was also concerned both about

the responses of scaffold crowds,

and about the extent to which pub-

lic executions allowed both criminal

and crowd to deride or criticise the

Gatrell claims that the abolition

of public punishment undercut

those who pressed for total aboli-

tion and greatly delayed their

cause. For Gatrell "the state's

retributive power continued to over-

ride imaginative compassion, and

the horror continued behind prison

There is no doubt of where

Gatrell's sympathies lie: of the

judges, "one or two like Dudley

Ryder (Chief Justice of King's

walls for a century yet".

nature of justice.

with a problematic theme. Gatrell drives home the

admit has given me and is still giving me a great deal of enjoyment". In the same spirit he approached the theory and practice of socialism. Those of his admirers who failed to take his socialism seriously did not understand him.

Fiona MacCarthy does. Her biography is a work of synthesis, drawing on a wide range of sources, and it concentrates on presenting Morris as a whole man rather than on cataloguing a formidable list of his activities. Mackail tried to do the same, but MacCarthy chooses to examine aspects of Morris's personality that Mackail, writing near to his death, could or would not do. At the same time, her book

WILLIAM MORRIS: A LIFE FOR OUR TIME by Fiona MacCarthy Faber & Faber £25, 780 pages

is an original interpretation in that it draws on the author's own experience and interests, very different from those of Mackail and another outstanding biographer, E.P. Thompson. Her chapter headings reflect this. They are the names of places, not a sequence of events: Walthamstow, Marlborough, Oxford and, of course, Red Lion Square and Red House, Kelmscott Manor and Kelmscott House, and two countries, Icecountry, both on the man and of the mind, which influenced him profoundly.

Given Morris's own sense of place, Fiona MacCarthy's mode of arrangement is entirely appropriate. And the different laces she lists do not so much figure in a chronological sequence as in an intricate pattern of desire and of memory. When Morris came to write News from Nowhere in 1890 the different strands in the pattern were woven together, and significantly there is as much in it about the place as there is about time.

Happily Fiona MacCarthy

does not offer us a label for Morris to set alongside other biographers' Marxist Morris, Freudian Morris, Jungian Morris, the entrepreneurial Morris or the Morris "who has now been appropriated by the Greens". She does rely on her intuitions, however, as well as research, and as a result deals particularly sensitively with Morris's relationships with Janey and Rossetti, and their own relationships with each other. A sense of place necessarily involves a sense of relationships, and what Morris made of "fellowship", which he believed was at the very heart of socialism, was derived not from books or pamphlets but from private relationships.

The priest from a neighbouring parish who officiated at Morris's funeral service at Kelmscott had been with him both at Marlborough and at Exeter College, Oxford. He did not refer to Morris's work for the socialist cause, much of it humdrum and hard, but chose as his text a passage from Corinthians, "unknown, and vet well-known"

In the 20th century Morris, remains "eminent" (he would have hated the adjective), both unknown and well-known, topical, not canonical. In his own century he was a pilgrim of hope, putting his trust, a 19thcentury trust, in "how he might live", in society not as it was but in what it might be.

He conceived of fear and hope as the great moving forces in history, and in the style of Corinthians believed that the greater of these was hope. In his poems "Pilgrims of Hope", printed in instalments in 1885, he wrote of "the day that yet shall be". This was the same series in which "The Message of the March Wind" was written. Morris felt that he was no longer "the riddle singer of an empty day". He was an activist proclaiming a message that he believed would change history just as much as it had changed him-



Day in the Life of Israel (Collins 230, 224 pages.) By chance the day selected, May 5 1994, proved to be the first day of official peace between the State of Israel and the Palestine Liberation Organisation.

### Empire on fast-forward

For Baby Patriots of 1889, "C is for Colonies/ Rightly we boast,/ That of all the great nations/ Great Britain has the most"; the infant who absorbed this in his nursery would soon graduate to the toy lead soldiers which became a craze after 1890.

But Lawrence James understands that there was another point to colonialism beyond and behind military conquest: in Charles Dickens' words, The earth was made for Dombey and Son to trade in ..."

The British Empire was one of the fundamentals of the modern age and we, in our post-imperial decline, may still not be in the mood to acknowledge or understand its significance to our own society, let alone to the wider world. James here tackies a colossal – impossible - task with an ambition betrayed in his Gibbon-esque title, The Rise and Fall of the British Empire. He has bitten off more than he (or you and I) can chew.

We are conducted, briskly, from the Elizabethan sea-dogs to Rhodesia's UDI and our imminent evacuation of Hong Kong. Out of these 400 years, it is true that the latter half of the book is given to this present century, but again and again the reader implores James - who has the style of the fluent and excellent history master which I suspect he used to be - to slow down, take his time and develop just a few of his noints. Or perhaps to ditch early Virginia, the Caribbean host of other, no doubt fascinating topics, and focus on the decline of the Empire, which is the more interesting bit. Or, best of all, to write two three? - books.

Everything is here, and that is the problem - the imperial drive of the Cromwellian years; the gunboat diplomacy of Palmerston's "unofficial empire"; the New Imperialism of the European powers just a cen-tury ago; Gladstone's campaign against "Beaconsfieldism"; the 1890s scramble for China: the constant and supreme importance of India, both economically and mili-

ccording to the ABC tarily; the Empire's vital contribution to the first world war; the stagnation, snobbery and racism of the years between the wars; the emergence of America to take over the defence of the British Empire; the optimism of the handover to Commonwealth.

It must be evident that the canvas is impossibly wide. Too often James makes a stimulating point (for instance, that by 1942 the US had become Europe's banker and armourer just like Britain in the Napoleonic wars; that victory in the pre-1914 naval race between England and Germany would go to the economically-stronger, as in the recent US-Soviet Star Wars) and cannot allow himself to develop it. Sometimes he misfires: the Cold War is not helpfully compared

THE RISE AND FALL OF THE BRITISH EMPIRE by Lawrence James

Little, Brown £25, 704 pages

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with the Great Game over India, for example; and Mountbatten's promotion was not the result of Churchill's search for another T.E. Lawrence. The more important criticism is that Britain's imperial decline demands a more sustained analysis than the fleeting references we get here to the difficulties of becoming a "second

fiddle". The Rise and Fall of the British Empire justifies a (thick) space on your shelves not for any revelatory brilliance or litits value as a quick aide mêmoire: if you have temporarily forgotten the essence of the Corn Laws debate, or the occasion for the Crimean War, or the role of aerial bombing of the Sudan in the 1920s, then here is a valuable reference point. Beyond that, the reasonably well-informed reader will feel rather as you do after dipping into an American news magazine: it is all perfectly convincing until you come to a subject which you know about - and then it, and therefore the rest, really will not do.

J.D.F. Jones

### Final drop for the scaffold

Jeremy Black on the history behind the abolition of public execution

Bench] wept fashionably" as they sent young women to the gallows and subsequent dissection. After nudging a reluctant jury in 1754 to convict a possibly insane young woman of infanticide and then, very well satisfied", condemning

THE HANGING TREE: **EXECUTION AND THE ENGLISH PEOPLE 1770-1868** by V.A.C. Gatrell Oxford University Press £20, 654 pages

her to the noose and the anatomist. Ryder made a speech which "so affected" him, he told his diary, "that the tears were gushing out". Sir John Silvester, Recorder of

London 1803-22, propositioned women who sought mercy for their relatives. There is an excellent discussion of the handling of appeals by the Home Secretary. Peel emerges as a determined hanger, who eased and encouraged prosecutions. He believed that society could survive in turbulent times only if secular authority was resolutely defended.

The case is strongly argued. This is not the law as a consensual system for eliciting support for the norms of authority, but a cruel, callous, calculating and vicious denial of fustice.

Many will find this a convincing analysis, but doubts can be expressed. Without making any reference to the modern debate on capital punishment, it can be argued that Gatrell displays all too little sympathy both for the victims of murder and for the problems created by social change. There was major change in the 19th century, necessarily as both cause and consequence of a society with a mass electorate, universal education, and widespread urbanisation and industrialisation. These brought social dislocation, instability and fears.

Deference and traditional social patterns, never as fixed as some thought, ebbed, and the new and newly expanded cities and towns

created new living environments in which the role and rule of the old world were far less significant.

These problems clearly do not excite Gatrell's sympathetic attention; indeed his essential outsider's approach, which provides much of the passion of the book, is also one of his limitations. The views of the scaffold crowd are analysed, but there is insufficient attention to legal and governmental policies and strategies.

Cruelty again is a complex issue. A society that was willing to send its men to kill and be killed across the face of the globe, that in 1878 applauded the "Great Macdermott" as his music-hall song launched jingoism, may have had a different

emphasis than Catrell suggests. He is understandably repelled by the practice and details of 19th-century executions, but to this reviewer much of his fascinating book was more redolent of the 1960s than of the Victorian era. The discussion of the manner in which many sought to disguise the reality of what was going on is compelling as is the brutality of many of the case studies, but it is far from clear that most of the population had any real sympathy with murderers or regretted their fate. Yet, this is a continually interesting book, by the standards of modern scholarly publishing excellent value for money, and a study that ably bridges mod ern and historical concerns.

■ Jeremy Black is a Professor of History at the University of Durham.

### Passion with artifice

Douglas Dunn discusses Ovid's challenge to modern poets

Tew books amount to a myth kitty" (Larkin's famous abhorrence) as convincingly as Ovid's Metamorphoses. Stories like those of Venus and Adonis, Pyramus and Thisbe, Baucis and Philemon, and Orpheus and Eurydice - paired off like names on ancient windscreens - are close to the heart of European culture. Painting, sculpture, opera, drama, poetry - what would they have done without Ovid's telling of these tales?

Improved no end, Larkin might have said. Can you imagine him, or Amis, getting stuck in to Ovid? It shows how poetry has changed. No one today, I think, would claim that Ovidian meaning and mastery are as important to us as they were to Shakespeare, or Ovid's great Elizabethan translator, Golding. The affection, belief, technique, and sheer energy responsible for a work like Golding's can be found singly but not all together. The you-dothis-bit I'll-do-that procedure of After Ovid seems predictably of our time, as does A.D. Melville's worthy but regressive blank verse effort in translating the whole poem a few years ago. This is some of the whole poem gone over by many hands. some of them short on latinity.

Ovid is an amazingly resourceful and tireless poet. In showing how these 42 poets rise to the challenge the book offers a fascinating sampler of contemporary styles and local solutions. Ted Hughes, for example, who contributes more to the book than anyone else, uses a choric free verse in his version of Ovid's account of Creation, In 'Venus and Adonis" he employs unrhymed stanzas, mainly of three and five lines. Readers of Hughes's

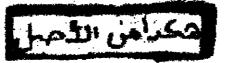
AFTER OVID: NEW METAMORPHOSES edited by Michael Hofmann and James Lasdun Faher & Faber £14.99, 320 pages

book on Shakespeare will know how important this story is to his interpretation of the plays and poems. It is apt that the most Shakespearean of contemporary poets should translate a story told by Shakespeare. It is also pleasant to report that this is Hughes's best work for some time.

Surprisingly, Seamus Heaney chooses pentameter couplets in writing about Orpheus. However. the lines run on through approximate rhymes so that the effect is far closer to what readers expect of Heaney than John Dryden. Still, it is not quite sparky enough for Ovid. Quicker tetrameter couplets from Derek Mahon ("Pygmalion and Galatea") seem a touch more Ovidian, as do Paul Muldoon's lines of different lengths, also rhyming in couplets. The New York poet, Kenneth Koch, goes for broke: Look at this lovely river maid, who bears the name of lo/ Her youthful beauty caused in Jove such ache that "Me. oh! my, oh?"/ He cried, "She must he mine!"

Peter Reading and some others are more classically astute, in Reading's case with the sound of dactyls an echo of Ovid himself. Some of the poets seize a lyrical moment or passage rather than a longer haul of narrative. In "Mrs Midas", Carol Ann Duffy is as inventive as Ovid in whose Metamorphoses Midas's queen does not appear. But Ovid, the poet of transformations, of one form changing into another, sanctions just about any poetic liberty you care to name. His great poem is a wonder-book of passion as well as a goldmine of artifice. Engaging with the Metamorphoses has led some of the best poets now writing to sprightly and delightful

ts winters are like perfect English summers. \* Its short breaks are ideal for Christmas and New Year.



### BOOKS

### What Popper never said

A.C.Grayling assesses a misunderstood philosopher

t was characteristic of holes and very bright ideas. Karl Popper that when he died two months ago he had just finished another two books. With his death the last of this century's great British philosophical triumvirate - Russell, Wittgen-stein and Popper himself passed away. Comparisondrawers like to say that he was, by quite a margin, less clever than Russell and less imaginative than Wittgenstein. Yet of the three he is easily the most influential outside academic circles. That influence extends in two important directions: science and politics.

Transport to the bay

pire on forward

Surprisingly, many scientists claim that Popper's views benefited their work. An outstanding example is Sir John Eccles, the Nobel-winning physiologist who later collaborated with Popper on a book about the mind-brain link. Like other scientists, he points to Popper's account of scientific method. the famous doctrine of "falsifi-cationism", as his inspiration.

Popper was an intellectually robust and confident thinker. The reasons lie partly in his origins. He was born into a wealthy and cultured Viennese family. He was a distant relative of Freud and in early adult life friendly with, although not a member of, the famous Vienna Circle of philosophers. He left Austria because of Nazism and lived, first in New Zealand and then, for the rest of his long life, in England,

where he taught at the London School of Economics. He died Success came late, in his forties; but once it had arrived he was fêted everywhere. Popper was indefatigable. In his last months he was busy preparing these two books for the press. One of them continues his lifelong dedication to defending science and rational criticism as "a way of thinking and living". In it he gives a statement of his "confession of faith ... in peace, in humanity, in tolerance, in modesty, in trying to learn from one's own mistakes; and in the possibilities of critical discussion." The second book consists of lectures defending the highly unfash-ionable "dualist" view that mind and body are separate but interacting entities. Both books are characteristically

Popperian: argumentative,

opinionated, conciliatory,

emphatic, outdated, up-to-date.

interesting, and full both of

e is the famous poet

One might not agree with everything in Popper, but he always makes stimulating

The judgments about Popper of both scientists and rightwingers - many of whom lay claim to him because of his attack on Marxism and his defence of "the open society" are mistaken. Popper did not succeed in formulating a watertight account of scientific method, and he did not hold or promote right-wing views. But it is easy to see why people thought he had done both he was tireless in explaining his ideas to a wide public, rightly refusing to confine himself to the academic world.

But his wider audience has not heard the careful response of academia to his views, and therefore knows only one side of the story.

THE MYTH OF THE FRAMEWORK by Karl R. Popper Routledge £25, 229 pages

KNOWLEDGE AND THE MIND-BODY PROBLEM by Karl R. Popper Routledge £20, 158 pages

Popper's theories about science are based on a strikingly simple insight. Scientific investigation, he noted, was thought to go as follows: an hypothesis is formulated, and predictions are made about what, if the hypothesis is true, should happen when experiments are conducted.

The hypothesis is confirmed if the results are as predicted: the greater the number of positive results, the more securely is it confirmed. But Popper saw that a single negative result can overthrow an hypothesis. Any number of positive results might accumulate in its support while it yet remains vulnerable to a counter-instance. A hypothesis therefore cannot be proved, he argued; the best we can ever say is that it is "acceptable so far", but that someone may sometime come up with a single piece of evi-

dence that disproves it. Science accordingly progresses by "conjecture and refutation". Popper believed his fal-First, it provided a test of what

hypothesis. Second, it solved the thorny old "problem of induction". An example of inductive reasoning is: "Every swan I have seen is white, so all swans must be white." The problem is: how can one be

On the first question, Popper said that if an hypothesis cannot be proved wrong, it is not only unscientific, but worthless: "a theory which explains everything explains nothing". Astrology, psychoanalysis and religion all fall into this category, because none of them states what evidence would prove its claims to be false. If astrology, for example, can accommodate any proffered counter-example it is untestable and therefore vacuous. Thus Popper's falsification criterion distinguishes between genuine enquiry and nonsense.

ter. It claims to be scientific, and it makes specific and therefore testable predictions. The problem with Marxism is that it has failed those tests: history has shown it to be false. Yet despite this, Popper points out, its adherents continue to believe it.

Marxism is a different mat-

Popper argued that science does not, as philosophers used to believe, consist in the pro-cess of supporting a general proposition by accumulating instances. Such inferences are notoriously upsettable, and there are no watertight means of justifying them. The old view of scientific procedure, confirming hypotheses by positive tests, portrays science as Popper's claim, by contrast,

is that science is deductive. Inductive inference would be all right if we could rely on the "principle of the uniformity of nature", which states that the world works in regular and patterned ways. Such a principle would allow us to predict that the future will resemble the past. But the principle can itself only be justified inductively ("past futures resembled past pasts"). We cannot be sure that this will always be the

Popper therefore wished to reject induction. Unfortunately, his view covertly appeals to the principle of nature's uniformity also, for counter-instances can be taken sificationist theory achieved to refute hypotheses only if we not change tomorrow in a way



Snow limned trees in Yosemite National Park, California: one of John Sexton's haunting photographs reproduced in Listen to the Trees (Bulfinch Press/Little, Brown \$45, 91 pages). Sexton is a master printmaker, lecturer and former photographic as the conservationist and former US secretary of the interior, has written "A celebration of trees", the book's introduction.

suddenly true, thus falsifying the counter-instances them-

It might seem obvious that a piece of evidence which disproves an hypothesis may be used in exactly the same way to support the opposite hypothesis, namely the original proposition was false; but in the latter case the evidence is two things at the same time. can be sure that the world will obviously being employed in the way Popper contests, that tools much discussed by other

Popper's politics have fared There are many other difficulties with Popper's views. He did not manage to state convincing theses about truth and the nature of reality; he refused to investigate how scientific hypotheses come to be formulated in the first place; and he did not provide an account of scientific reasoning which makes use of models and analogies, investigative

better at the hands of his critics. It is clear that those who claim him for the Right have not read his work. He used to say that he would call himself a socialist if socialism would seriously commit itself to individual liberty. For Popper, the "open soci-

ety" is one in which rational discussion leads to fair, decent. open and consensual political

quiet assessment of the facts informs every decision. His Open Society and Its Enemies not only attacked Marx, it also attacked Plato. The authoritarian state of Plato's Republic, ruled by an oligarchy, relying on slavery, practising eugenics, disenfranchising women and most classes, has had its closest expression in recent Fascist dictatorships. Popper attacked

excesses on both the left and

### Pre-war village fantasy

and active at the age of 91, was in London recently. He and his wife attended a reception at the British Library given to honour the publication of these three books. The library has an Upward archive from which a selection of manuscripts was on show. These included the Mortmere stories begun by Upward and his friend Christopher Isherwood when they were Cambridge undergraduates in the 1920s.

In his autobiographical Lions and Shadows, Isherwood described how they invented the sleepy English village of Mortmere, peopled with eccentric local characters whose activities were chronicled in a style that was a cross between Conan Doyle and surrealist fantasy. Mortmere summed up the charming, well-bred complacency and eccentricity of pre-war England. Up to now the tales were considered too private to be published, but at

THE MORTMERE **STORIES** by Christopher Isherwood and Edward Upward

Enithurmon £7.99, 206 pages AN UNMENTIONABLE MAN by Edward Upward Enitharmon £5.99, 102 pages

JOURNEY TO THE BORDER by Edward Upward Enitharmon £5.99, 135 pages

last curiosity has been satisfied and we have the texts of the surviving manuscripts, edited by Katherine Bucknall. The bulk of them are by Isherwood. The humour is often lavatorial, but the writing is brilliantly readable in the hilarious man ner of the young pre-Buddhist, pre-Californian I-Am-a-Camera Christopher.

After Cambridge, Upward became a schoolmaster and a member of the British Communist Party, from which he resigned in 1948. He was house-master and head of English at Alleyn's School, Dulwich, from 1931 to 1961. After retirement he went to live on the Isle of Wight where he resumed his earlier career of novelist.

His first book. Journey to the Border, was published by the

Woolfs in 1938. It now appears in a revised edition. A tutor goes with his pupil and employer to a race meeting at a Mortmere-ish country town, While entering a crowded marquee he has a vision of the future. More than half a century has done nothing to diminish the work's sense of foreboding. Gentlemanly tweed-suited English racegoers become a gathering of militant fascists. A long speech by an apologist for obeying natural instinct parodies Auden's early guru, Homer Lane. Much of it seems as relevant now as then. Upward's major work. The Spiral Ascent, a trilogy written over two decades and published in one-volume in 1977, describes the fortunes of a poet and schoolmaster who is a committed Marxist. It is a view of intellectual life from Upward's left-wing stance that

is both calmly detached and

highly personal; so too is the

sequence of stories now pub-lished for the first time in An

The man is an elderly English writer whose name is never mentioned because he believes we are witnessing the death-throes of capitalist society. He has been mugged, and while his wife awaits his return to consciousness he has nightmares described marvellous clarity in which his credo comes under attack. As a writer of English prose Upward belongs to the school of Swift and Orwell. Now that I have read again these remarkable books I feel that Upward's work is going to be mentioned more and more frequently by discerning judges of 20th century literature in the years to

**Anthony Curtis** 

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Tibor Fischer

### who never used capital letters. In

England, we know a few sexy verses by "e e cum-mings" ("May I feel, said he/ I'll squeal, said she,") because they stand out as eccentric in anthologies of love poems. In America, by contrast, Cummings is a literary giant. When he died in 1962, he was the most widely-read poet after Robert Frost; today he is seen with Eliot and Pound as the father of modernism.

Was Cummings a genius, the inventor of a new form of expression which spoke for our disordered, fragmented times? Or was he merely a gimmick-maker who tinkered with typography? This beautifully produced volume, published to mark the centenary of his birth last month, collects together all his poems for the first time, and offers a new insight into the man and his work.

Few poets are at once so modest - Cummings always hid behind that lower case anonymous i - and so exuberant and charismatic in their egoism: "Cheri" he says in a 1918 love poem which was not discovered until the 1980s "the, very picturesque, last Day/

### Charismatic wordsmith

Jackie Wullschlager probes beyond the poet's pyrotechnics

(when all the clocks have lost their jobs and god/sits up quickly to judge the Big Sinners)/ he will have something large and fluffy to say/to me)". Throughout his life, Cummings pitted himself against god and the devil, US presidents - he called Roosvelt that great pink super mediocrity -

big business and the upper class East Coast society into which he was born. His father was a Harvard professor and a close friend of William James; Cummings wrote about the Boston Brahmin Circle as "the Cambridge ladies who live in furnished souls." But he adored his parents and an idyllically happy upbringing gave him both his passionate belief in the individual and the confidence to ignore traditional American expectation of patriotism and conformity. A large body of poems about his childhood when "The world is puddled wonderful," is one of the revelations here.

As a pacifist, Cummings

went to France as an ambulance driver in 1917 and was promptly jailed for ignoring censorship rules in his letters home. After the war he stayed on in Paris, discovered Picasso and Stravinsky, and returned to America a modernist, convinced that the "day of the spoken lyric is past." He began to apply the Cubist methods of break-up and restructuring to

poetry. The pleasure of this fat complete edition is that in making us quickly familiar which such surface pyrotechnics, it gives us the chance to notice the deeper, less showy side of the poet. Despite his protests, Cummings was a bred-in-thebone lyricist and, in displaying the full range of his love poetry, this volume establishes him as the most erotic English poet since John Donne.

During his Paris days, he became the friend - though not the client - of some prostitutes. He enjoyed using the high sonnet form to describe

E.E. CUMMINGS: **COMPLETE POEMS** edited by George J. Firmage

Norton £35, 1102 pages

bawdy low life, "the dirty col-

ours of her kiss." Then in the 1920s and 30s, Cummings, according to his biographer Richard Kennedy, married in quick succession "three of the most beautiful women in America," including actress and model Marian Moorhouse. Like Donne, Cummings makes sensuality work on the page by a mix of dazzling explicitness and absolute rigour of form. He sees that sex is half in the head, and he is metaphysical ("one not half too. It's two are halves of one") and agonisingly restrained ("O Distinct/lady of my unkempt adoration"). He is also, like Donne, witty and obscene. In the poem "she being Brand/ New; and you/know conse-

describes sex as a run in a new car. "Just as we turn the corner of Divinity/Avenue i touch the accelerator and give/her the juice, good." Offbeat and experimental,

Cummings had the outsider's uncanny feel for the mood of the nation and an appealingly American idiom - upbeat and zany - with which to convey it. The girl/car piece laughed at the American male's obsession with the automobile as early as the 1920s. The lines "what if a much of a which of a wind," with the warning "what if a dawn of a doom of a dream/ bites this universe in two. were written in 1944 the first poem of the Cold War.

Almost every Cummings poem is enormous fun. With his jokes and word games he reflects everyday fears, hopes and madnesses back at us through a distracting cheerful mirror. His gimmicks are part of his genius: this magnificent volume is a tribute to both.



E E Cummings: genius or mere gimmick-maker?

**Fiction** 

### Strange worlds and wise outlaws

Thornton to Egypt's Elvis: who else but Tom Robbins could see the mingling of ancient civilisations in such terms? With his second novel, Even Congirls Get the Blues, Robbins perfected his technique of audacious prose and cosmic themes, earning himself a place as one of the wildest and most entertaining novelists in the world. His new work, Half Asleep in Frog Pajamas (Bantam £6.99, 386 pages). starts suspiciously like a yupple novel: Gwendolyn, a 29-nine year-old stockbroker, weeps into her martini on a Friday evening after a day of crash, dreading the opening of the markets on Monday morning. Her weekend turns out not to be

ubia played Professor

Longhair and Big Mama

occupied with thoughts of bulls and ans. This is the splendid opening of bears, however, but with frogs, an escaped monkey with a taste for burglary, magic mushrooms from outer space, a cure for cancer and the future of the human race as well as romance with the staple Robbins figure, the wise-cracking outlaw, bearer of both fun and enlightenment.

Mist from the sea covers the hill where a small army lies surrounded by a large." The Ettrick clan is about to be massacred by the Northumbri-

Alasdair Gray's A History Maker (Canongate £13.99, 222 pages), set not in a border war of the past, but in the 23rd century where warfare has become a spectator sport and a league table. There are pre-slaughter interviews with the generals and running commentary as the Ettrick clan is almost wiped out, all according to the Geneva Conventions.

The first chapter is the strongest; the rest lacks narrative thrust,

(though not pelvic thrusts), being a semi-satirical essay on how life should be lived. As with all Gray's work, layout and illustrations are as important as the writing. A worthy successor to Poor Things, and ample evidence that Scotsmen can write without obsessive use of four letter expletives.

A fan of Alasdair Gray and, like him, someone who builds his work around quirky conceits is Will Self. His new collection of short stories. Grey Area (Bloomsbury £9.99, 287 pages), explores strange worlds which have mutated out of our own. "There are only eight people in London and fortunately I am one of them," is the start of the first story,

of any sort last year - and of those a good 40,000 were children's parties." A demon lover, a model village, and office paraphernalia are other

springboards for Self's bizarre flights of fancy, but the best piece has to be about Inclusion, a drug that makes watching television fascinating. Finally, the past. Didier Daeninckx's A Very Profitable War (Ser-

pent's Tail £7.99, 192 pages) features René Griffon, a demobbed sleuth in Paris after the first world war who is hired by a distinguished Colonel to track down someone trying to blackmail him. Daeninckx is one of France's leading thriller writers, but A Very Profitable War is one for série noire aficionados. The most satisfying sections of the book are the historical curiosities: the Colonel, for instance, has to put down a mutiny of Russian soldiers in France.

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## Sea-shore beasts and graffiti

William Packer reviews the recent work of artists David Hepher, John Bellany and Ian Tyson

we have seen, and heard, more than enough of one of the painters currently filling the vasty halls of Flowers East, we have certainly seen far too little of the other two. What is no less certain is that all three of them, on this evidence, are working through into their later maturity at the top of their form.

Of the two figurative painters, David Hepher is the more sombre in his visual material, the more self-effacing and unshowy in his actual working of paint and surface, and the more obviously thoughtful in his engagement with subject and ideas. His work is none the ess interesting or beautiful for

His subject is the tower block of the council estate, dread image of the social engineering of the 1960s, high-minded, insensitive and misconceived. He has been painting these things over many years, taking them as they are and moving in close to their densely regular fronts of balconies and window-frames. uninflected but by the vagaries of human use and habitation, marked by plants and curtains and the washing hung out to

side from its obvious

functions as babysit-

ter to the nation and

chewing gum for the

hile it might This interest continues here be argued that in some small studies, freely and freshly stated. But for the most part, and in all the larger canvases on show, he has moved into something that is both visually and conceptually more complicated. He now lays upon the canvas a ground the colour and tex-

ture of concrete, complete with the marks and ridges of the defining shuttering by which the tower-blocks themselves were built. Upon this prepared surface he paints the image of the tower, but not so as to fill the canvas entirely. This image, conventionally pictorial in its own terms, is but a formal element against which others are brought into play child-like structures, images of cities taken from the painting of the early renaissance, and, overlaying everything, the familiar, meaningless calligra-phy of sprayed graffiti.

Here, then, are paintings that start as the same blank walls, luring the painter to them as they lure the graffitist. But oh, how elegant the painter's own graffiti are, and how ironically light and sensitive his touch. Would that all graffiti were so beautiful. This is painting of a high order, full of subtlety and ambiguity. John Bellany is the other fig-

urative painter and, by con-

trast, nothing less than his old ebullient expressionist self. The wonder of it is, given his publicly-acknowledged medical history, that he can still paint at all, let alone on such a scale and with such energy and passion. But he was ever an obsessive in the actual act of painting, as furiously prolific even

in the depths of his most des-

perate alcoholism. In his case, both illness and recovery affected the work clearly and directly and, in a sense, perversely. For through the late 1970s and into the 80s. as his condition grew ever more dire, so his painting took on a quality of tragic grandeur,

with the paint growing ever richer and more physical in the working, the imagery seeming to sink into the surface as into a quicksand, abstracted and ambiguous, not waving but drowning. It was profound and powerful stuff.

If with recovery the mood lightened and the imagery cleared, so also for a while did the surface become thin and the statement overstretched and enfeebled - for Bellany never gave up in his determi nation to go on working on the grandest scale. Now the work has again come to itself. Gone is the self-regarding and sentimental imagery of the period

of the immediate convalescence, and we are back with the full complement of crabs and fish, birds and beasts, the bearded fisher-artists in their boats and bare-breasted priestwomen in their stocking-tops that people Bellany's own symbolic sea-shore world.

There they all are, these monumental figures, with their hints at Beckmann, Picasso and Modigliani. And there too, as it were to set off their allpervading air of classical calm, are passages of the old expressionist fury in the working of the surface, judicious and con-trolled yet full of painting, proper painting.

the degree of cynicism today

that such a high moral tone

Yet such sentiments seeme

unremarkable in 1948 because,

as Lord Hailsham points out in

next week's programme. "We

now seems almost comical.

is occupied by Ian Tyson, that most fastidious of minimalists, who is showing paintings and relief constructions based upon a simple rectangular, framelike motif. That I have no space to say more about them is not to say I do not recom-mend them. Indeed, they come as the perfect sorbet after the richer dishes downstairs.

The smallest of the galleries

David Hepher: new paintings. John Bellany: recent paintings. Ian Tyson: recent painting and sculpture. All at Flowers East, 199 & 282 Richmond Road, Hackney, London E8, until December 4.

and it seemed only right that the top nation should set about creating a brave new world with a national health service, nationalised industries, universal education, and millions of new homes in new towns to replace those bombed or torn down as slums. If, having evoked the atmosphere of the 1940s and 50s so powerfully, this series really can sling a



Television / Christopher Dunkley

### History brought home

eyes, television, it becomes increasingly clear, is a remarkably good purveyor of history. We know from the work of Norma Percy, who has made Secret World Of Sex and from memorable programmes about his current Thursday night the Reykjavik arms talks and series on BBC2, Forbidden Britain, both dealing with the early decades of this century, the collapse of Soviet communism, and from David Ash's programmes Fall Of The Wall that, even when there is on BBC2 earlier this month, awfully little archive film available (as with any social that it is particularly effective with very recent history. subject around 1900) impres-We know from Steve Humphsive programmes can still be ries' startling 1991 series A made. Following the classic

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Lauretta, now in her seventies, was

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example of The World At War, in their late 40s or early 50s Humphries marries together what picture material he can find with latterday interviews with those who can remember the period. The results can be enthrallingly evocative.

But among the most fascinating periods for any of us. surely, is the one that coincides with our birth, so those

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don't always

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to-finance,

may be particularly drawn to What Has Become Of Us? which covers the middle of the 20th century and begins on Channel 4 tomorrow evening. Presenter Peter Hennessy and producer Rob Shepherd have made a four-part series investigating the attitudes and politics and, most important of all, the feelings which in the 1940s and 1950s, led to the creation of a British society which was then methodically dismantled in the 1980s and 90s.

This opening programme shows that however talented the presenter (and Hennessy has proved himself an excel lent television performer, especially in studio discussions) nothing conveys the spirit of a time so vividly as a combination of personal witness and contemporary archive. When Hennessy encapsulates the swing to Labour in 1945 by saying that the bombs had not discriminated between the classes so why should politics, it seems trite. But when those who lived through the war talk about the sense of levelling which arose from such matters as the shared experience of

The sense of how it felt to be living through that war comes across most strongly from some of Hennessy's older neighbours in Walthamstow. Charmingly – and sensibly, given that he was born in 1947 - Hennessy goes back to them repeatedly to check on their memories. Like my father who, one night in 1941, ran to the top of Parliament Hill to gaze, mesmerised, at what appeared to be the entire London docks on fire, Marie Creighton describes going up to a high point to watch the blitz: "There

rationing it seems all too credi-

The idealism fired by the national experience of the war strikes you like a flash of lightning when Jill Craigie shows the opening caption on a film about new towns such as Stevenage made in the late 1940s saying "This film is made for the peoples of the blitz in the hope that their newly built cities will be worthy of their fortitude". It is an indication of

was ships in there and our

Chess No 1049: 1 Rxe5 b3 2 Rc3 Kxe5 3 Rd3 mate.

had ended the war at the top of us how and why we have the world". The dismantling of become what we are, it will have done a remarkable job. the empire had scarcely begun

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Tabe Leicenter Square. Prices: ERSOC (RDD)
FORTUNE, Russell St. Televil 336.2228.
The Woman in Black
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Tube: Hollows, Prices: £10,00-625,80 ON PALLADRUM, Argy 852, Toluzi And Sutt

LYBIC Staffenbury Ave. Tel 171.444.5145. Five Guys Named Moe lly Circus. Prices: 23.86-627-50 NATIONALTHEATRE : Snoth Bank, Televil. 928.2253 Lytteften: OUT OF A HOUSE WALKED A MAN... Prioze Other & Letteften (18 St. 172) 44 PriozeOtheir & Lyttelton (250-0220) Cottesioe: ALICES ADVENTURES UNDER

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ROYAL COUKTY, Slower Square. Tele71.730.17 The Editing Process Until Man Nov 21 ROYAL OPERA HO.P. Covere Colo. Tele? L. 104.4008. The Royal Opera: LATRAVIATA The Royal Beller ASHTON CELSBRATED TRIPLS BILL THE SILEPING BEAUTY RSC1, Barbican Tel 071.438.8811. Barbican: A CHRISTMAS CAROL Berbican: A CHEISTMAS C Prices:07-59-622-00 The Pit NEW ENGLAND Prices: 615-00 MOLER'S WELLS, Rosebery Ann. Telet 1.278,8916. Unit Nov 2º Les Ballels Jazz de Montreal Nov 30-Dec 10 Adventures in Marijun Pictures Cinderella Prices: C5 00-C22-50 Tube: Angel. ST MARTIN'S, West Storel, Televiland, Mes.
The Mousetrap SHAFTESBURY, Shahesbury Are Tele71.375.3 Out of the Blue am Court Rd. Prices 29 S0-627 50

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# Radio / Martin Hoyle Bell-ringing and madness

iven the tendency for the slightest Tchange on BBC Radio to prompt howls of outrage, the quiet revolution that has transformed Going Places (Radio 4, Friday) into a pendant of Breakoway has passed comparatively bloodlessly. Perhaps others felt as I did that the old format, with its emphasis on adenoidal hearties of both sexes devoted to four wheels, reeked of rusticised suburbia and saloon-bar squire-speak. They never seemed interested in places, merely the mechanics of getting there.

The programme is now an idiosyncratic travel piece, not a holiday mag like Breakaway but a smaller-scale exploration of the off-beat - Scotland's secret nuclear bunker, for instance, recently opened as a tourist attraction near Anstruther in Fife. Though it was equipped with a broadcast-ing studio, the locals had no idea it was there. Chillingly, if disaster struck no family, relatives or friends surplus to personnel were to be admitted. As somebody remarked, many of the elite would have preferred to stav outside.

The same programme took composer Gavin Bryars to Whithy with its ruined abbey, kipper-houses and Dracula connection. And memories of a west-country childhood stirred within me at the news that a recalcitrant RSPCA official had hijacked the bell-ringing swan of Wells, releasing it where there are no bell-pulls to tug at teatime and where it presumably has to find its own food. The swan-keeper was strangely dry-eyed. "My wife was more affected than I was," he confessed, adding that she was "acantankerous old thing but wonderful." (I assume he

meant the swan.) The Madness of Kings (Radio 4) was disappointingly lightweight. It was introduced by Christopher Cooke whose exquisite sensibilities, he ince confided to The Heritage Quiz are jarred by such oalistiness as the Last Night of the Proms and Gilbert and Sullivan (notably, I imagine, at the Lard High Executioner's strictures against "the idiot who praises with enthusiastic tone/All centuries but this and every country but his own").

The mini-series on the said-

ing of crowned heads was inconclusive Caligula perhaps had encephalitis, Hitler Parkinson's. Nero was not so bad. possibly schizophrenic. The Plantagenets had terrible tempers. Ludwig of Bavaria probably didn't do anything with his young men, though his scheme to rob the Rothschild bank in Frankfurt seems a trifle exireme even by today's free and easy royal standards. The programme acknowledged the danger of describing any booworthy behaviour by the all-purpose "mad"; and then proceeded to do so. Its brief necessarily ignored the hysterical repression that led to middle and lower-class "madness" breakdowns and suicide in Victorian times. There are records of the mass demise in Bristol of an entire below-stairs staff on the death of their mistress. Those were the days.

The nostalgia factor still operates in favour of middleaged DJs. On Radio John Peel drones on after a quarter-century, his vocal dreariness the aural equivalent of fallen arches. The self-consciously quirky choice of music recalls the modisimess that had John Mortimer, no less, singing his praises. But then the distin-guished QC once referred to Boy George's "sweet Irish tenor". He should be on the new matey Radio 3, along with John Peal, Caligula and bellringing swans. They will be, reader, they will be.

Chirmon some

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THE LORDON PHILHARMONG Resident at the RFH.
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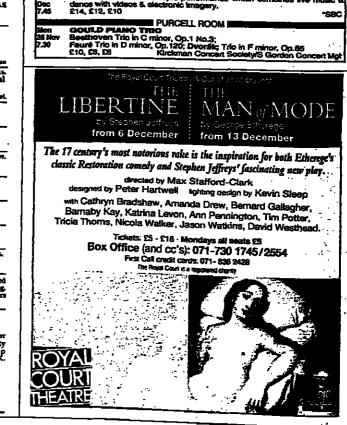
Sponsor: Naviss reducts and acceptance of the Condition of the Condi PLAN K - Charlerol-Danses, THE INCHARE, NYMAN BAND The Fell of Icarus. An epic performance which combines Rive must dance with videos & electronic imagery. 214, 212, 210

classic Restoration comedy and Stephen Jeffreys' sascinating new play... directed by Max Stafford-Clark designed by Peter Hartwell lighting design by Kevin Sleep



AR ON RA

'BRIAN KAY'S SUNDAY MORNING! MUSIC AND REQUESTS. 9:00AM.



QQQ 8 A D I O 3

Bxh2 Bd7 12 0-0 Ke8! In Tim-

man v Tal, 1985, Black riskily

went for a second pawn by f6

13 Rfd1 f6 14 Ba4 e5 15 b5

Nd8 16 Racl? Better 16 Rd3.

Ne6 17 Rd5 Nf4 18 Rxd7 Kxd7

19 b6+ Ke6 20 Bb3+ Ke7 21

Rc7+ Kd8 White's attack looks

threatening, but WChess

defends accurately. 22 Rxb7

axb6 23 Bc4 Ra4 24 Nd2 Kc8 25

Rf7 Bc5 26 g3 Rd8 27 Bc3

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Rxc4! 28 Resigns.

CHESS

AHGLIA:

Sports Results. 1' Hotel, (TVM 1989)

HTV:

SCOTTISH

REGIONS

ITY REGIONS AS LONDON EXCEPT AT THE

12.30 Movies, Games and Videos, 1.06 Border News, 1.10 Rocksport, 1.30 Superstans of Wes-ting, 2.20 Hot Wheels, 2.50 MacGyder, 2.45 Kright Rider, 5.05 Border News and Weether 5.15 Border Sports Results, 11.05 BL, Stryker: Grand Theft

## Martin Hoyle ringing. nadness

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E. C. D. Mark Tales

### TELEVISION

7.00 Lassia. 7.25 News. 7.30 Pingu. 7.35 Happy Birthday. 7.45 Martene Marlowe Investigates. 8.05 Albert the Fifth Musicater. 8.30 The New Advenean. 9.15 Live and Kicking.

A . . .

12.12 Weather. 12.15 Grandstand introduced by Steve Pider. Including at 12.20 Football Focus: Preview of today's Premier-ship programme. 12.50 Racing from Newbury: The 12-55 Bonusprint Gerry Fielden Hurdle Race. 1.05 News. 1.10 Rugby Union Preview. 1.20 Recing: The 1.25 Alzo Long Distance Hurdle Race. 1.35 Snocker. The UK Championship, Early frames from the second semi-final, 1.50 Racing: The 2.00 Hennessy Cognec Gold Cup Handicap Chase. 2,10 Rugby Union: Wales v South Africa. Live coverage from Cardiff Arms Park as the Five Nations champions take on the Springboks. 4.00 Snooker. 4.30 Rugby Union. 4.40 Final Score. Times may vary.

Snooker coverage continues on BBC2. 5.15 News. 5.25 Weather.

5.40 Dad's Army, Captain Mainwaring is offered the use of a Roits-Royce – but has the misfortune to get it mixed up with the mayor's official

6.10 Bruce Forsyth's Generation Game. 7.10 Noel's House Party. Romie Corbett returns to Noel's crazy household for fun and trolics including NTV, the Blg Pork Pie, and another Gotcha

award. 8.00 The National Lottery Live. 8.15 Girl Friday. Cameras record Joanna Lumbry as the spends nine days learning to survive on a desert islan off Medagascar with only the most basic equipment.

9.20 News and Sport; Weather.

9.40 The National Lottery Live. Update on the earlier draw. 9.45 Film: Airplanel Disaster spoot about an ill-fated airliner and its madcap passengers. Starring Robert Hays, Leslie Nielsen and Lloyd Bridges

Lesile Nielsen and Lloyd Bridges (1980).

11.10 Match of the Day. Desmond Lynam and the team analyse highlights of two top matches in the FA Premiership, including Arsenel's clash with champions Manchester United.

12.15 The Danny Baker Show.

1.00 Shooker: The UK Championship.

Further semi-final coverage from Preston's Guild Hall.

BBC1

7.25 The Man from UNCLE. 8.15 Bresidest with Frost. 9.15 Great Expectations. 10.00 See Heart 10.30 French Experience. 10.45 Easy Money. 11.00

1.30 Barney Bear Double Bill.
1.45 The Young Indiana Jones Chronicies. Part two. The teenage indy gets caught up in the Mexican revolution.
2.30 Earthuring

2.30 EartEnders.
3.50 Hartin Chuzziewit. Jonas gives his father a lavish funeral before visiting Witshire to spend more time with Charity. Shown last Monday on PROFE

4.50 The Bookworm. The life of Robert

5.20 The Clothes Show. Gary Gillter meets five Wimbledon art students, and former hairdressers of the year

5.45 Just William. Mischievous school-

Louis Stevenson, a mobile library in the Outer Hebrides, and poetry by

reveal how to wow the judges at the British hair awards.

boy William Brown enters the world of emateur dramatics, and helps a

great actor get over his nervous breakdown.

6.15 News. 6.35 Songs of Praise. Pam Phodes visits the ancient cathedral of St Magnus

in Kirkwell, capital of the Orkney

7.10 Lovejoy. The shifty dealer seeks the help of a Caribbean expert to locate

8.00 Vintage Last of the Summer Wine.
8.30 Birds of a Feather. Sharon, Tracey and Dorlen spend a quiet Saturday night reminiscing about their first

loves. 9.00 Sezforth. Larry Field threatens to

a valuable 19th century cabinet,

while Charlotte is left holding the

expose Bob and Diana's scheme to buy into Andrew Winter's alling engi-

Iner run brand of Christianity to

their own brand or Christiantly to post-communist Udashe are receiv-ing a frosty response from locals. Film: Comes a Horseman. Hard-working ranchers resolve to protect their farms from an unscru-palous land beron. Western, starring James Osen and Jame English (1972)

James Caan and Jane Fonda (1978). 1.20 Weather.

12.00 CountryFile. 12.25 Weather for the Week Ahead;

12.30 On the Record.

BBC1.

ielands.

neering company. 9.50 News and Weathe 10.05 The Full Wax.

Liz Lochhead.

2.20 Close.

### BBC2

8.00 Open University. 10.00 Chanokys. (English subtities). 10.40 Style Byte. 10.50 Network East. 11.20 Bollywood or Busti 11.50 Firm 94 with Bany Norman. 12.20pm Firm The Amelo Affair.

1.45 The Phil Silvers Show. 2.10 Horizon. Efforts to save a Polynesian tree small driven to the edge of extinction by the introduction of a ival species in the 1960s.

3.00 Film: They Passed This Way. Mar-shal Pat Gerrett sets out to track down a young bankrobber. Western, starring Joel McCrea and Charles Bickford (1948).

4.30 Snooker: The UK Championship.
Further semi-final coverage from
Preston's Guild Hall. 6.00 TOTP2.

6.45 What the Papers Say, Sarah Baxter reviews the week's news as reported in the pre News and Sport; Weather

7.15 Assignment Investigation into the development and spread of biologi-cal weapons, showing how break-throughs in genetic engineering have diven man a new means of de

8.00 Later with Jools Holland, Jools presents music by Mercury Music Prize winners M People, plus Nick Lowe, Ben Hamer and Bulgarian

9.00 Have I Got News for You. Conser vative MP Sir Teddy Taylor and cornedy actress Helen Atkinson Wood compete in the comedy news

9.30 Performance: Summer Dav's Dream. J.B. Priestley's vision of England in the aftermath of a nuclear war, showing how an elderly survivor's peaceful existence is shattered by the arrival of three strang-era. Starring John Gleigud, Saskia Reeves and Mike McShane.

11.15 Last Word, Germaine Greer and her temale panelists debate the purpose of women with Tony Parsona, Alan Clark and Roy Porter, Last in series. 12.15 Film: Un Nos Ola Leuad. Premiere. Award-winning mystical We drama tracing a man's childhood through a series of recollections that end in an inexplicable murder. Dyfan Roberts stars (1991). (English subti-

1.50 Uncut. Contrasting domestic scenes, from a teenager proudly showing off her caravan, to a Bos-nian Muslim refugee recalling home life in his village.

BBC2

7.30 Animal World, 7.40 Blinky Bit. 8.05 Wishing, 8.15 Playdays, 8.35 Moomin, 9.00 The Busy World Richard Scarry, 9.20 Bites, 8.40 Stone Protectors, 10.00 TimeBusters, 10.25 Grange Hit, 10.50

The Boot Street Band, 11,15 Artrageous, 11,45 The

O Zone. 12.00 Quantum Leep. 12.45 pm Snowy River: The McGregor Sage.

2.00 Snooker: The UK Championship.

audience at Preston's Guild Hall.

5.10 Rugby Special, Highlights of Wales
v South Africa from Cardiff Arms

Park, and a round-up of news from the divisional champlonship. 6.10 The Natural World. New series.

David Parer and Elizabeth Parer-Cook's award-wirming documentary about the albatross, featuring footage of nesting-sites on the remote,

windswept Crozet Islands. Radio

wartawept Croze balance. Nation transmitters track these largest of all sea birds as they travel vast dis-tances in search of food, and show how the fishing techniques used by

Japanese tuna trawlers are pushing

The Money Programme. Lesley
Curwen Investigates whether banks
and building societies have overreacted to their excessive mortgage
lending during the 1980s property

rated by David Attenborough.

boom, and are now threatening depress house prices by being

excessively cautious about allotting funds to buyers.

7.40 Snooker: The UK Championship.

The early frames from tonight's closing session of the final.

8.10 From A to B: Tales of Modern Motoring. Light-hearted portraits of couples arguing in their cars,

9.00 Snooker. The UK Championship. David Vine presents the conclusion of the final from the Guild Hall in

Preston.

9.50 Timewatch, Maverick American Investigator John West reveals new evidence suggesting Egypt's monumental Sphinx statue may be much

older then previously thought.

10.40 Snooker: The UK Championship.
David Vine presents highlights from

the final.

11,30 Film: The Homecoming. Adeptation

of Harold Pinter's play, starring Michael Jayston as a man who takes his wife to meet his long-lost

father and brothers. With Ian Holm

on the road.

demonstrating how the closest of relationships can come under strain

David Vine introduces the first ses-sion of the final in front of a packed

1.30 Around Westminster

### CHANNEL4

6.00 GMTV. 9.25 What's Up Doc? 11.30 The Chart Show. 12.30 pm Opening Shot.

SATURDAY

LWT

1.00 ITM News: Weather. 1.05 London Today; Weather. 1.10 Movies, Games and Videos. Review of Whoopi Goldberg's new

film Corrina Comina, and the video release of Ace Ventura: Pet Detective, which boosted Jim Carrey to

1.40 WCW Worldwide Wrestling. 2.30 Saint's Soccer Skills. Crystal Pal-ace and England star John Salako and Tottenham supersiar Jurgen Klinsmann pass on tricks of the

2.50 Brand New Life. 3.45 Murder, She Wrote.

4.45 ITN News and Results; Weather. 5.05 London Tonight and Sport; Weather.
5.20 Baywatch. Mitch agrees to help the

FBI keep tabs on a mobster's girl-

6.15 Gladiators. Plucky competitors from Watford, Epsom, Hillingdon in Mid-diesex, and Addiestone, Surrey, take on the muscle-bound champions. 7.15 Blind Date. 8.14 National Lottery Result Live.

8.15 The IGds from Alright on the Night. Denis Norden presents a special batch of cock-ups and catastrophes featuring stars from the younger generation.
9.15 ITN News and National Lottery Update; Weather.

9.25 London Weather. 9.30 Film: Commando. A retired specia agent wages a one-man war against the terrorists who kidnapped his daughter. Action-packed adven starring Arnold Schwarzenegger

(1985). 11.05 Aids: In a New Light '94. Information and entertainment spe-cial aimed at boosting public awareness, including appearances by Debble Harry, Bill Cosby, and Presi-dent Bill Clinton.

12.35 Film: Our Sons. A businesswoman and a barmaid whose sons are a gay couple cross paths when one of the young men is stricken with Aids. Sensitive drame, with Hugh Grant and Julie Andrews (TVM 1991); ITN News Headlines.

2,20 The Big E. 3.15 Get Stuffed; ITN News Headlines. 3.20 European Nine-Ball Pool Masters. 4.15 Get Stuffed.

SUNDAY

LWT

6.00 GMTV, 8.00 The Disney Club. 10.15 Link. 10.30 Sunday Matters. 11.00 Morning Worship. 12.00 Sunday Matters. 12.30pm Crosstolic, London

2.45 The Sunday Match. Wolverhampton

Wanderers v Derby County.

5.35 The London Programme. Business

to both the control of the control o

and carried a concealed camera to ord shocking conditions at one

Parade. Alastair Stewart and Tricia Williamson join the crowds to report on the very first London Christmas

Parade, led by Grand master Lord Attenborough.

Who fans' convention, and people

shooting of a battery farm owner with an eye for the ladies, focusing his inquiries on a rambler found suf-

Jaffa in hospital, and Pearce attends

6.40 Schofield's Quest. Reports on a Dr

who collect phone cards.

7.30 Heartheat. Nick Investigates the

tering from cuts and bruises.

9.00 London's Burning. George visits

10.45 The South Bank Show. Interview

1.15 Get Stuffed: ITN News Headlines.

1.20 Pete Townshend: Psychoderelict.; ITN News Headlines.

4.10 Film: Stunts Unlimited. Action adventure, starring Glenn Corbett (1980).

with American political satirist P.J.

O'Rourke, whose book All the Trou-ble in the World tries to point up the lighter side of global catastrophes, including famine, plague and war.

London nursing home.

6.10 London's Grand Christm

8.30 ITN News; Weather.

8.30 You've Been Framedi

10.00 Spitting Image.

11.45 You're Booked.

12.15 Cue the Music.

10.30 ITN News; Weather.

10.40 London Weather.

a distressing inquest.

6.05 London Tonight.

1.00 ITN News: Weather.

2.30 Saint's Soccer Skills.

5.05 Love and Marriage.

2.00 The Mountain Bike Show

1.10 Walden.

5.25 Night Shift.

### 4.25 BPML

5.00 4-Tei on View. 6.35 Early Moming, 9.45 Sitz. 11.00 Gazzetta Footbell Italia. 12.00 Sign On; At Leisure. 12.30pm The Great Maratha, (English sub-

1.00 Racing from Newcastle, Brough Racing from Newcastle. Brough Scott Introduces coverage of the 1.10 Ladbroke Handicap Hurdle, 1.40 Steel Plate and Sections Young Chasers Qualifier, 2.10 Betway Homes Fighting Fifth Hurdle, and the 2.40 Ladbroke Handicap Chase.

3.15 Film: These Three. The story of two young women in charge of a girls' boarding school whose lives and careers are ruined by one of the pupils' malicious les. Dramatisation of Lillian Heliman's Broadway play, starring Miriam Hopkins, Merie Oberon, Joel McCrea and Bonita Granville (1936).

4.55 Plobird. 5.05 Brockside.

6.30 Right to Reply. Roger Bolton presents viewers' opinions about TV.

7.00 A Week in Politics. Irreverent recap of the week's political issues; News

8.00 Adventures: The Shark Shocker.
Film following Australians Ron and
Valerie Taylor, who have dedicated
their lives to filming and studying
sharks in a variety of locations
around the world. The documentary focuses on their research carried of in South Africa as they test a new electronic barrier system designed to protect sharks and humans from

each other. 9.00 Don't Forget Your Toothbrush.
New series. Chris Evans returns with
a new mystery co-presenter to host
the offbeat game show which gives audiences the chance to win a dream holiday to an exotic location, or a disappointing trip to somewhere far more mundane.

10.05 Rory Bremner: Who Else? Satirical

cornedy and impersonations. 10.45 Film: Les Aments Du Pont Neuf. Leos Carax's modern-day fairytake about the relationship between a tough street punk and a sick young woman. Juliette Binoche and Denis Lavant star (1992). (English subti-

1.00 Late Licence. 1.10 Herman's Head.

CHANNEL4

1.15 Football Italia, Lazio v Roma in the

3.30 Last Train to Medicine Hat, Murray

4.10 Time Team. An archaeological site in Athetney, Somerset, which could provide new information about King

5.10 High Interest: Over My Dead Body. Interverent report on the rising cost of funerals, which often represent a

relatives. One French undertaker

serious financial burden for grieving

however, has eased the pressure or

many clients by opening low budget "death" supermarkets - and is plan-

ning to open a branch in Britain. 6.00 Don't Forget Your Toothbrush. Chris Evans returns to host the off-

best game show giving audiences the chance to win a dream holiday.

posal of nuclear weapons in the attermath of the cold war. In Texas, indestructible radioactive material is

stored above ground in 50 year-old-bunkers, while weapons-grade plu-tonium is available on the open mar-ket in Russia. As politicians and

scientists debate what should be done, Equinox evaluates the down-

ries. Examination of Britain in the

1940s and 1950s, beginning with the

postwar determination to create a

Hell. Comedy sequel, with William

imprisoned for gruesome underworld killings in 1974, after Britain's Ion-

gest-ever murder trial, protest their innocence in exclusive interviews.

and religious intolerance in Algeria. Hassan Abdou stars (1994).

SUNDAY

12.10 Film: Bab El Oued City. Award-winning drama focusing on

the rise of Islamic fundament

side of disarmament.

8.00 What Has Become of Us? New

9.00 Film: Bill and Ted's Bogus Jour-ney. Premiere. Keanu Reeves and Alex Winter return as the wacky would-be heavy metal stars, this time taking an unscheduled trip to

Sadier (1991).

10 45 Torso Murders Two men

7.00 Equinox: Dismartting the Bomb.
Difficulties surrounding the safe dis-

red the Great.

Toronto.

4.00 News Summary.

Sayle travels from Quebec City to

Rome derby, one of the most eagerly awaited games in Italian football.

1.40 Butt Naked. 2.15 Let the Blood Run Free.

### 2.50 The Word 3.55 Close.

SCOTTISM:
12.30 Cough: The Life of British Motor Sport. 1.40 Telefics. 2.10 The Travelling Companion. (1989) 3.50 Take Your Pick. 4.20 Around the World in 15 Minutes with Peter Ustinov. 4.35 Cartoon Time. 5.05 Scotland Today

TYME TREES:
12.30 Movies, Games and Videos. 1.05 Tyne Tees
News. 1.10 The Fall Guy. 2.05 The Megalicent
Two. (1967) 3.45 Knight Rider. 5.05 Tyne Yees
Saturday

Saturday
WESTCOUNTRY:
12.30 Movies, Games and Videos. 1.05 Westcountry News. 1.10 | Married Wyatt Earp. (TVM 1983)
2.50 The A-Tearn. 3.45 Dinosaura. 4.15 No Naked
Farmes. 5.05 Westcountry News 9.25 Westcountry
Weather. 11.05 BL Stryker. Grand Theft Hotel.
(TVM 1988)

(1 VIM 1989)

YORKSHIRE:
12.30 Movies, Games and Videos, 1.05 Calendar News, 1.10 The Fall Guy, 2.05 The Magnificent Two. (1987) 3.45 Knight Rider, 5.05 Calendar News, 5.19 Scoreline.

### REGIONS ITY REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-AMGLIA: 12.50 Sodyworks. 12.55 Anglia News. 2.00 Highway to Hazwen. 2.55 Kick-Off. 4.00 Bring Me the Head of Doble Gills. (TVM 1988) 5.45 Big Day. 6.15 Anglia News on Sunday 10.40 Anglia Weether. 11.45 Street Legal. 6.00 Bitz: 7.10 Early Morning. 10.00 Dennis. 10.15 Saved by the Bell. 10.45 Rawhide, 11.45 Little House on the Prame. 12.40pm Ryen Giggs Soccer

et Legal.

Tuesday 12.30 Gardeners Diary, 12.55 Border News. 2.00 The A-Team. 2.55 Bottle of the Bulge. (1985) 5.30 Coronation Street. 6.25 Border News. 11.45 Prisoner: Cell Block H.

CENTRAL:
12.30 Central Newsweek. 12.55 Central News 2.00
Xpress. 2.30 The Central Match - Livel 4.55 Gardering Time. 5.20 It's Your Shout. 5.55 Hit the
Town. 6.25 Central News 10.40 Local Weather.
11.45 Prisoner: Cell Block H.

11.00 Sunday Service. 11.45 Elson. 12.30 Gerdener's Dany. 12.55 Grampian Heedines. 2.00 The Jazz Singer. (1953) 4.00 Adventure. 4.30 Movies, Garnes and Videos. 4.55 Wild West Country. 5.25 Murder, She Wrote. 8.20 Appeal. 8.25 Grampian Heedines. 330 Grampian Medites. 38.40 Grampian Ign Weether. 11.45 Prisoner: Cell Block H.

ign weigner. 11.46 Prisoner: Lea Block H. GERAMADA: 12.25 Granada on Sunday. 12.55 Granada News 2.00 The A-Team. 2.55 Bable of the Bulge. (1965) 5.30 Coronation Street. 6.25 Granada News 11.46 Prisoner: Cell Block H.

12.25 The Wrap. 12.55 HTV News. 2.00 On the Edge. 2.30 Michaelek. 3.00 The West Match. 3.30 Carry On Nurse. (1959) 6.10 Carloon Time. 5.25 History on Carvas. 5.55 Home Movies. 6.25 HTV News. 10.40 HTV Westher. 11.45 Prisoner: Cell Block H.

Block H.

HTV Wales as HTV excepts
12.25 Printetime. 2.00 Weish Agends. 2.30 Face to
Fatth. 3.00 Soccar Sunday. 4.00 Highway to
Heaven. 4.55 Home Ground. 5.25 Tellyphonin'.

MESHEDIAN:
12.30 Seven Days. 12.50 Meridian News. 2.00
Cartoon Time. 2.10 The Pier. 2.35 The Listings.
2.40 The Meridian Match. 3.25 Aurport 80: The
Concorde. (1979) 5.25 Dogs with Durbor. 5.55 The
Village. 8.25 Meridian News. 11.45 The Pier.

/Nage. 6.25 Meridian Ne

Visage, 9.25 Metropan News., 11.45 The Pier.

SCOTTISH:

11.00 Sunday Service. 11.45 Elkon, 12.30 Scotland
Today. 12.35 Skoosh. 2.00 55 Days at Pelking.
(1982) 4.50 Knight Rider. 5.45 Cartoon Time. 5.50
Michael Ball, 6.20 Scotland Today 6.25 Appeal.
10.40 Scotlish Weather. 10.45 Sootlish Volces.
11.45 The South Bank Show.

11.45 The South Hank Show.

17/NET TIESS:

12.25 Newsweek, 12.55 Tyne Tees News, 2.00 The
Tyne Tees Match. 2.55 Scott of the Antarctic.
(1948) 8.00 Dinossurs, 5.30 Anthel Country, 6.00
Tyne Tees Weekend. 11.45 New Visions.

ESTCOLBUTRY:

WESTCOUNTRY:
12.30 Westcountry Update. 12.85 Westcountry
News. 2.00 Hot Wheels. 2.30 Air Ambulance. 3.00
The Assassination Bureau. (1968) 5.00 Wild West
Country. 5.30 Father Dowling investigates. 6.25
Westcountry News 10.40 Westcountry Weether.
11.45 Prisoner: Cell Block H. YORKSHIRE: 12.25 Kickabout, 12.50 Calandar News, 2.00 High-

way to Heaven. 2.55 Scott of the Antaratic. (1948) 5.00 Dinosaurs. 5.30 Animal Country, 8.00 Calender News and Weather 10.40 Local Weather. 11.45 New Visions.

### line, N8c6 7 d4 cxd4 8 a3 dxc3 Fritz 3 and Genius, the 9 Qxd8+ Kxd8 10 axb4 cxb2 11

software programs which defeated Garry Kasparov at five-minute chess in Munich and at 25-minute chess in London, have become popular 13 Bc4 Nxb4 14 e5. ANGLIA: 12.30 Movies, Games and Videos. 1.05 Anglia News. 1.10 The Horse Wilhout a Head. (1983) 2.55 Kright Rider. 5.05 Anglia News and Sport 9.35 Anglia Westher. 11.05 BL Stryler: Grand Theft Hotel. (TVM 1989) choices for players seeking a strong training partner.

Both will run on an IBMcompatible 386 or better PC. Fritz costs £80. Genius 3.0 at £90 is used by several grandmasters, and plays to IM standard: Genius Plus at £110 has an enhanced opening library and, running on a Pentium chip, reduced Kasparov to

despair at the Intel Grand Prix.

12.30 America's Top 10. 1.05 Central News 1.10
The Munsters Today. 1.40 Movies, Games and
Videos. 2.10 SecOuest DSV. 3.05 The Fall Guy.
4.00 WCW Worldwide Wreeding. 5.05 Central News
5.10 The Central Match - Goels Extra. 9.25 Local For viewing the latest com-Weather, 11.05 Speciliessy: Alds Special.

GRAMPIAN:
12.30 Abeir Spors, 1.05 Grampian Headlines, 1.10 puters, I recommend the BCM Chess Shop(071 603 2877) which has a friendly and efficient service and is situated in a quiet village area of Kensington. Last month's annual grandmasters v machines Harvard Cup was another success for technology. The programs, run-ming on Pentiums, scored 39%

12.30 Abair Spors. 1.05 Grampian Headines. 1.10 Tetelios. 1.40 Cruinne-Ca. 2.10 Donnie Murdo, 2.35 Target Risk. (TVM 1975) 4.05 Superstars of Westling. 5.05 Grampian Headilnes. 5.10 Grampian News Review. 5.18 Polico News. 8.25 Grampian Weather. 11.05 Bl. Stryker: Grand Theft Hotel. (TVM 1989)

OPAMADA:
12.30 Movies, Gernes and Videos, 1.05 Granada News 1.10 Rocicport. 1.30 Superstars of Wrestling. 2.20 Hot Wheels. 2.50 MacGyver. 3.45 Kright Rider. 5.00 Granada News 5.05 Granada Goals Extra. 11.05 Bl. Stryker: Grend Theft Hotel. (TVM 1989) overall against 25% in 1993; while WChess, created in Alahama, totalled 5/6 against NTV:
12.30 No Naked Flames. 1.05 HTV News. 1.10 Best of British Motor Sport. 1.40 Yesterday's Heroes. 2.10 Certoon Time. 2.20 Movies, Games and Videos. 2.50 The A-Teom. 3.45 Knight Rider. 5.05 HTV News and Sports Results 2.25 HTV Weather. 5.05 HTV News and Sports Results 2.25 HTV Weather. 11.05 BL Stryker: Grand Theft Hotel. (TVM 1989) HTV Wales as HTV excepts
12.30 The Municipal Strukes. America's leading players for a

world champion level 2895 rating performance (M Rohde. White; WChess, Black; English Opening). 1 Nf3 Nf6 2 c4 c5 3 Nc3 d5 4 HISTORY 11.30 COPS. 12.00 The Chart Show, 1.05 Meridian News. 1.10 Yeslerday's Heroes. 1.40 Swimsuit. (TVM 1989) 3.30 Cartoon Time. 3.45 Knight Rider. cxd5 Nxd5 5 e4 Nb4 6 Bb5+ 6

Bc4 Nd3+ 7 Ke2 Nf4+ 8 Kf1 Ne6

9 b4 is an alternative sharp

**♦ K9842 ♥** A Q 74

East dealt and passed, and

South bid one spade. Most

Norths would reply with two

no trumps, but this North said

two clubs, a response that has

much to recommend it. South

rebid two hearts, and North's

raise to four hearts closed the

West led the diamond ace

and switched to the six of

clubs. Taking with the ace in

dummy, declarer led the heart

three to his ace and was shocked when West threw a

auction.

**♦** J 3

**&** K 3

White mates in three moves, against any defence. Capablanca, the most naturally gifted of world champions. solved this over dinner. Can you do as well?

Solution Page XXII Leonard Barden

### BRIDGE

Today's hand is from rubber diamond. But South proceeded bridge: to play with great skill. Cashing his club king, South led a ♠ Q 7 5 ♥ K 10 5 3 spade to the queen and ruffed the last club in hand. He crossed to the diamond king **♦ K 10 6** and ruffed the 10. He had won 4 A 4 2 seven of the first eight tricks A 6 3 **↓** J 10 **↓** J 9 8 6 2 and this left a five-card ending. **Å** A 9 7 4 2 **♦ Q85** ♣ J 10 7 # Q9865

West held ace, six of spades, a diamond and two clubs; dummy held two spades and king, 10, five of hearts, East held 10 of spades and four hearts to knave, nine, while South held four spades to the king and the heart queen. Declarer played off his heart

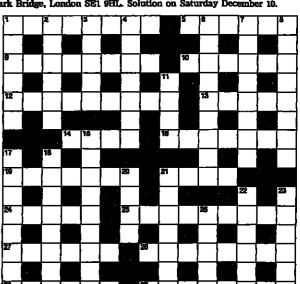
queen and exited with a spade. It made no difference which defender won the trick. If East wins, he is forced to lead into the trump tenace on the table; if West wins, dummy will play his spade on whatever he returns, East must ruff, and surrender the last two tricks to dummy's tenace. A most remarkable hand and bril-

liantly played by the declarer.

**E.P.C.** Cotter

### CROSSWORD

No. 8,621 Set by DINMUTZ A prize of a classic Pelikan Souveran 600 fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by marked Crossword 8,631 on the envelope, to the Financial Times, I South-wark Bridge, London SE1 9HL. Solution on Saturday December 10.



ACROSS 1 Wild emotionalism subverted 1 Game producing this classic opener (6)
2 The last word on quarters for sailors (6)
3 Calebrity in city area almost delayed (5)

Solution 8,620

Solution 8,620

SUCKER ACACIA
AUN HHHM
CUMBRIA LUNATIC
DIGGTMRRM
NINCOMPOOPLOON
LAAIIS
SWEET DEGREPIT
I SUT
LMPLICIT TATTY
PIOTO
CLOT CLOPHOPPER
E O L RIV
STATION BOTCHER
O E WAAAN
NOSING STALLS

# Solution 8,609 BESTRIIDE INFORM E U E E L OC A REPEL SPORTSCAR E E A P W I U T FIRSTCOME FIRST T SI H B I SERVED BUCKRAM S D E A I E CHEDDAR MENAGE I E E O H H H MELON PUNGENTLY I U S E T L T P TERMINATE PLUSH A I T L G I R E REDEYE COTTONON

Solution 8,609

30 Sacerdotal English novelist

DOWN.

4 State of popular girl? (7) 6 This usurer advances – listeni

") vard, appointed, is going



### RADIO

BBC RADIO 2
6.06 Sujata Barot. 8.05 Brian
Matthew. 10.00 Juril Spiere.
12.00 Hayes on Saturday. 1.30
Furny That Way. 2.00 Martin
Keiner on Saturday. 4.00
Emmylou Harris. 5.00 Marti
Caine and Frienda. 8.00
Cameron Macidintosh: The
Producer. 7.00 The Golden
Days of Radio. 7.30 A Vienna
Volicoper Celebration. 9.30
David Jacobs. 10.00 Sheridan
Morley. 12.05 Roanie Hilton.
12.35 Charles Nove. 4.00
Sujata Barot. BBC RADIO 2

BBC RADIO 3 6.20 Open University: VIPs. 6.65 Weatther. 7.00 Record Review, Philips, Handel, Breinma, Janacek, Schumann. 9.00 Suiting a Library. Domingo's latest recording of Verdi's Otello. 10.15 Record Release. Rossini, Berlicz, Beethoven, 12.00 Spirit of the Age, 1.00 Table Telk, 1.25 xhael Wellfisch and John York. Saint-Seers, Lekeu, Mertinu, Chopin, 3.00 Vintage Years, Brahms, Simpson, Krommer, 5.00 Jazz Record wests. With Geoffrey Smith. 5.45 Music Matters. Music In Liverpool, 6.30 Le roi Artrus Chausson's Arthurlan opera in three acts. Sung in French. 9.45 Blue Sides. Codes and communication, 19.15 Woman Take Centre Stage. With Carol

11,30 Europhile.

Club. 1,00 Nave. 1.10 Any Cuestions? 2.30 Silver. 4.00 Scapegoets. Homosexuality. 4.30 Science Now.

5.00 File on 4. 5.40 Another View from the 8.00 News and Sports. 8.25 Week Ending. 8.50 The Locker Room

9.50 Ten to Ten. 10.00 New 0.15 Quote Unquata 10.45 Chocolate Nuns and Prebombs. 11.00 Personal Records. 11.30 Two Way Cut. 12.00 News. 12.33 Shipping Forecast. 12.43 (LW) As World Service.

**BBC RADIO 5 LIVE** 11,35 Crime Desk 12.00 Mittay Edition. 12.15 Sportscal. 1.05 Sport on Five. 5.00 Sports Report. 6.06 Shr-O-Shr. 7.35 Saturday Edition. 9.05 Asian Perspective. 9.35 The Gossip Column. 10.05 The Treatment. 11.00 Night Extra. 12.00 Test Match Special.

WORLD SERRICE
BBC for Europe can be received in western Europe on Medium Wave 648 kHz (463m) at these times BST: 6.00 Morgenmagazin. 6.30 Europe Today. 7.00 World Naws. 7.15 Waveguide. 7.25 Book Chicke. 7.30 People and Series News. 3.15 Sports Founday. 3.30 From Our Own Correspondent. 3.50 Write On. 4.00 Newsdesk. 4.30 BBC Book Chicke. 7.30 People and Series News and Press Rouck People and Review in German.

Politics. 8.00 World News. 8.09
Words of Fatth. 8.15 A Jolly
Good Show. 8.00 World News
and Business Report. 9.15
Worldbrief. 9.30 Development
94. 9.45 Sports Roundup.
10.00 Printer's Devel. 10.15
Letter Inom America. 10.30
Waveguide. 10.40 Book
Choice. 10.45 From the
Weekles. 11.00 Newsdesk.
11.30 BBC English. 11.45.
Mittagsmegazin. 12.00 World
News. 12.09 Words of Fatth.
12.15 Multitrack Afternative.
12.45 Sports Roundup. 1.00
Newshour. 2.00 News
Summary, Sportsworld. 4.00
World and British News. 4.15
BBC English. 4.30 Heute

wond and British News. 4.16 BBC English. 4.30 Heute Aktuel, 5.00 News Summery. 5.05 Wavegulde. 5.15 BBC English. 8.00 Newsdesk. 6.30 Heute Aktuel. 7.00 News and

BBC RADIO 2
7.00 Don Maclean. 9.05
Michael Aspel. 18.30 Hayes on
Sunday. 12.00 Desmond
Carrington. 2.00 Berrry Green.
3.06 Alan Dell. 4.00 A Royle
Tour. 4.30 Sing Something
Simple. 5.00 Charine Chester.
6.30 Ronnie Hilton. 7.00
Richard Baker. 8.30 Sunday
Half Hour. 9.00 Alan Ketth.
10.00 Medicine and the Arts.
12.05 Steve Medden. 3.00 Alax
Lester.

Lester. BBC RADIO 3 BBG HADRO 3

8.55 Weather. 7.00 Sacred and Protane. Bach, Kodaly.
Sibelius, Delius. 8.55 Choice of Trees. Preview of forthcoming programmes. 9.00 Britonning programmes. 9.00 Britonning bronchestra. 1.00 Subsec Romande Orchestra. 2.35 All the Music's a Stage. 3.00 Young Artists' Forum. 4.30 The BBC Orchestras. Bartok, Ravel, Orchestras, Bartok, Ravel, Debussy, 5.15 Making Waves In Newcastle, With Christopher Cook, 6.00 A Service for Cook Butu A service for the Advent with Carola From the Chapel of St John's College, Cambridge, 7.30 The Sunday Play: Night after Night. By Nea Bartlett. Adaptation of the stage musical. 9.10 Music in

Alessandro Scariath, 12.30 Close.

6,10 Prelude. 9.05 6,30 Morning Has Broken. 7.00 News 7.15 The Living World. 7.40 Sunday. 8.50 The Week's Good Cause.

9.00 News. 9.10 Sunday Papers. 9.15 Letter from America 9.30 Morning Service. 10.15 The Archers. 11.15 Mediumwave. 11.45 Four Comes 12.15 Desert Island Discs 1.00 The World This Weekend. 2.00 Gardeners' Question Time.

2.30 Classic Serial: Kidnapped 3.30 Pick of the Week. 5.00 Hack on the Cul. 6.00 Six O'Clock News 6.30 Children's Radio 4. 7.00 in Business. The world of 7.30 A Good Read. 8.00 (FM) Scapegosts.

8.00 (LW) Writer's Weekly. 8.30 (FM) Reading Aloud. 8.30 (LW) The French ce. Booking an hotel. 9.00 (FM) The Netural History 9,15 (LW) Make German Your e 30 (EM) Cachao the Earth. 9.45 (LW) Short Stones in

10.00 News.
10.15 Love and Death. With director of the Royal Opera House, Jeremy Isaacs.
10.45 Eurekal 11.15 in Committee. The activities of MPs. 11.45 Seeds of Faith. 12.00 News. 12.30 Shipping Forecast. 12.43 (LW) As World Service. 12.43 (FM) Close.

12.00 Midday Edition. 12,15 The Big Byte. 1.05 Top Gear. 1.35 On the Line. 2.05 You Cannot Be Serious! 3.05 Sunday Sport. 6.05 Jim and the Doc. 7.00 News Extra. 7.35 The Acad Test. 8.00 The Uttimate Proview 10.05 Special Assignment. 10.35 Crime Desk. 11.00 Night Extra.

BBÇ RADIO 5 LIVE 7.00 The Breaklast Programme. 9.00 Witchell on Sunday.

WORLD SERVICE

From Our Own Correspondent.
7.50 Write On. 8.00 World News. 8.09 Words of Faith.
8.15 The Greenfield Collection.
8.00 World News and Business Review. 8.15 Short Story. 9.30 Folk Rounden. 9.45 Sports Roundup. 10.00 News Summary; Science in Action.
10.30 in Praise of God. 11.00 Newsdesk. 11.36 BBC English.
11.45 News and Press Review in German. 12.00 News

12.00 Test Match Special BBC for Europe can be Line. received in western Europe on Medium Wave 648 kHZ Comp (463m) at these times BST: World (463m) at these times BST: 6.00 News and features in German. 6.30 Jazz For The Aslang, 7.00 World News. 7.15 Wood, Guts and Brass. 7.30

Newsdesk, 11.30 BBC English, 11.45 News and Press Review in German, 12.00 News Summary; Pley of the Week Three Hotels, 1.00 Newshour. 2.00 News Summary; Pleip, I'm Going To Be A Parent, 2.30 Anything Goes, 3.00 World News, 3.15 Concert Hall, 4.00 World and British News, 4.15 BBC English, 4.30 News and features in German, 5.00 World News and Business Review. 5.15 BBC English, 6.00 Newsdesk, 8.30 News and features in German, 8.00 World News, 8.10 Words of Faith, 8.15 Printer's Devil, 8.30 Europe Today, 8.00 Newshour. 10.00 World News and Business Review, 10.15 Meridian, 10.45 Sports Roundup, 11.00 Newsdesk, 11.30 Help, I'm Going To Be A Parent, 12.00 World and British News, 12.15 It's Your Business, 12.30 In Press of God, 1.00 News Summary; Pop on the Line, 1.45 Wood, Guts and British News, 2.00 Newsdesk, 2.30 Composer of the Month, 3.00 World and British News and British News and Grass, 2.00 Newsdesk, 2.30 Composer of the Month, 3.00 World and British News, 3.16

Composer of the Month. 3.00 World and British News. 3.16 Sports Roundup. 3.20 Anything Goes. 4.00 Newsdesk. 4.30 BBC English.

this year (8)

5 Cam, for example, needs force reduced (6)

9 Cautious about boy, daily? (8)

10 The buck stops here! (6)

12 Is yen rate of exchange something to trouble our readers? (9) 13 Showers no longer in out-

buildings (5)

14 Something odd in Cawdor?
Rather! (4)

16 Venus, possibly, glowing was prominently featured in film (7)

19 Fiery sun descends (7)

21 Munro's name for a monkey?

19 Frectice tries in authentic setting (9)

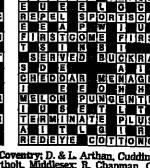
(4) ting (9) 24 Girl receiving benefit in 17 A stewar 25 Member has egg on ravioli (as starter) and cheese (9)
27 Quicken university oars, perhaps, before end of Mortlake
28 Broken remains of the student forms of the student forms of the student remains rema

(6)

28 Imagine England's openers getting a six against South Africa, for example, running backwards (8)

29 Seriously travel up and down on river (6)

21 Indian 8 Columbia 8 C



WINNERS 8,609: H.C. Thomas, Coventry; D. & L. Arthan, Cuddington, Cheshire; C.A. Bainbridge, Northolt, Middlesex; R. Chapman, Cardinals Green, Cambs; Mrs E. Grier, Corscombe, Dorset; C.G. Storey, Newcastle upon Tyne.



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MAN-MOD

Figure to the first late of the control of the cont

THE REAL PROPERTY. · · · · ·

Grimes and her Acoustic Guitar

12:25 I'm Sony I Haven't a 2.00 Any Answers? 071-580 4444. Usteners' comments.

7.20 Kaleicloscope Feature.
Canadian songeriter Leonard
Cohen reflects on his musica career. 7,50 Saturday Night Theatre: A Quick Killing in the City. Play by Ed Thomason, set in London at the time of Black

SATURDAY

1.25 Close.

7.00 The Breekfast Programme 9.05 Weekend with Kershaw and Whittaker. 11,05 Special Assignment.

House Aktuel. 7.00 News and features in German. 8.00 World News. 8.10 Words of Faith. 8.15 Development 94. 8.30 Jazz tor the Asking. 9.00 Newshour. 10.00 World News. 10.05 Words of Faith. 10.10 Blook Choice. 10.15 Meriden. 10.46 Sports Roundup. 11.00 Newsdesk. 11.30 The Story of Western Music. 12.00 World and British News. 12.15 Good Books. 12.00 The John Durn Show. 1.00 News Summan; 1.00 News Summan; 1.00 News Summan; 1.00 News Summan; English. 4.45 News and Press Review in German.

BBC RADIO 2

**BBC RADIO 4** 

6.00 News.

Our Time. Alfred Schnittke, Roger Marsh, Hans Werner Henze. 10.25 Chor Works.

Peter Aspden

### Take a Coke, a glass of Moët, shake well

There was a pleasing symmetry about the news that both Coca-Cola and Moët et Chandon were launching advertising campaigns this month; two world-famous brands, both under threat from arriviste competitors, giving their respective bottles a good shake to spray the opposition away in time for Christmas.

Both drinks stand for fizz, froth and fun, but they manage to appeal to opposite instincts in us. Coca-Cola, hitting back at the supermarkets with a £4m television campaign, taps that youthful, clean-living, democratic impulse which we should all, in principle,

like to share: its message is shamelessly romantic, all-embracing, new world versus the old; brash, hopeful and artfully naive. It is a NOW product, a multi-national

beverage for the modern world. Moët et Chandon, on the other hand, in devising its first-ever British advertising campaign, has no hesitation in harking back to the louche air of fin-de-siècle Paris to promote its appeal, its curvy, Mucha-esque siren giving us the kind of sultry come-on which the clueless boys and girls in Cokeland would probably interpret as a touch of flu. Here is wickedness. expense and exclusivity, and democracy be hanged.

in-your-face Americana meeting creaking, decadent Europa across the billboards, the latest in an end-

less series of cultural bouts. The relationship between America and Europe, and France in particular, is actually more complex than is commonly supposed. One only has to watch the opening frames of Jean-Luc Godard's A Bout de Souffle to appreciate the happy symbiosis that can be achieved between the two cultures: street-styled existentialism and B-movie beefcake combining effortlessly to provide some of the most paid back by almost naming the captain of the new USS Enterprise

after the iconoclastic director). The mutual exchange of jokes went on: America sent Jerry Lewis to France, where he became a cult hero; the French took revenge by sending a succession of the most ponderous philosophers of all time to lecture to the brightest-eyed students in the world. Years later, Allan Bloom would write The Closing of the American Mind to attack the consequences of continental thinkers on his country's sensibility, while in Parls, something

It is, of course, the story of the influential images of the 1960s called Euro-Disney appeared to add. Astaire, for goodness sake? new world versus the old; brash, (American pop culture intriguingly spice to all those interminable café. What is remarkable, how conversations. Semickeyotics or

> The most magnificent example of: Franco-American horseplay is Stanley Donen's romantic comedy Funnu Face, in which an ayuncular Fred Astaire wins the heart of Audrey Hepburn by dancing rings around a group of earnest philosophers in hooped shirts and berets. Here was American brashness and intellectual insecurity - in abundance, but displayed with such good humour and brie that it was difficult to take seriously. Who could declare cultural war on

What is remarkable, however, is that, even in the trans-global, multi-faceted 1990s, the cultural battle between new and old world continues. Its most obvious manifestation in London in recent weeks has been in the box office skirmish between Quentin Tarantino's Pulp Fiction and Krzysztof Kieslowski's Three Colours: Red, a conflict which began at this year's Cannes Film Festival and at which the American was controversially rewarded with the Paime d'Or.

Here is a classic choice, between the hard-edged, primary-coloured, self-referential savagery of Taran-

tino and Rieslowski's quizzica open-ended musings on relation ships and destiny, the two directors possessing in common an immense talent but as divided in their world views as those bottles of fizzy drink. In London, as at Cannes, it is Tarantino who is winning, which I have to say depresses me a little. It is nothing to do with being anti-American, nor feeling censorious about violence; it is just that I have grave suspicions about a culture which so happily ironises; its most conspicuous flaws. In standing up for liffle old Europe, I'd like to teach the world to sing a rather different tune.

samic gu West B abi in att

K societies has made and the

hancen receive the

big with theretalk

bonders System:

3

**Private View** 

### The mathematician in his cave

Christian Tyler meets a man whose beliefs about human understanding are causing scientific controversy

mong mathematicians, Sir Roger man. I do not mean he is some snaggle-toothed evolutionary throwback - even if certain high priests of brain science would call him that.

He is a caveman because he agrees with Plato, who first used the analogy that human beings are like prisoners in a cave who can see only the shadows of reality thrown on to the wall by the firelight.

For Penrose, mathematical truths are part of reality: not human inventions, but preexisting "forms" whose existence we have to discover.

He has reworked Plato's parable for the prologue of his second book, Shadows of the Mind, which restates and develops the controversial claim of The Emperor's New Mind that human understanding will never be explained in terms of computer-like calcula-

Human consciousness cannot even be simulated by a machine. Furthermore, the scientific explanation for consciousness will depend on discovering new laws of physics.

The cave of the Rouse Ball Professor of Mathematics at Oxford University is satisfyingly chaotic. Papers, books and correspondence crammed the room at the Mathematical Institute, a faded new block on St Giles. Adding to the jumble were old geometric models made of plaster, metal and wire which had been retrieved from some forgotten basement. A box of empty coffee jars and a broken percolator lay on the floor, next to a jigsaw puzzle of special difficulty based on one of Penrose's own geometric brainteasers. Symbols and equations ran riot on the blackboard behind his desk.

Mathematics must be wired into the Penrose family. An older brother, Oliver, has just retired as professor of mathematics at Heriot-Watt Universitv. Edinburgh. A younger brother, Jonathan, is a chess grandmaster. A nephew teaches maths at Durham and a son is doing his postdoctorate in the subject.

Penrose, whose special ability is spatial thinking, began (many-sided shapes) at the age

as a kind of game. "An ability to do maths is not essentially different from ordinary thinking," he said. "One does it for fun, really. So you have to enjoy it to do it seriously."

Mathematics was discussed round the family dinner table. Penrose's father, a specialist in the inheritance of mental defects, would speculate on whether the brain was some sort of computer. However, he expected his son to become a doctor. "I was actually, secretly, going to be a brain

surgeon," Penrose said. Another influence was a series of radio broadcasts by

> 'There is a view that a machine can act as though it sees red, feels pain, etc. I'm saying it

Professor Fred Hoyle (leading proponent of the "steady state" theory of the universe). Lunching with his elder brother at Cambridge one day, Penrose impressed Denis Sciama, a cosmologist, by questioning Hoyle's description of galaxies disappearing over the horizon of the universe.

"I drew a picture to show it didn't make sense. I think Denis was quite struck by this and later when I went to Cambridge as a graduate student he took me under his wing." As a student at London and Cambridge, Penrose took up, as sidelines, quantum theory, particle physics, general relativity and cosmology.

He also studied mathematical logic, where he encountered Kurt Gödel's revolutionary proof that in any logical system, such as that on which arithmetic is based, there are truths which cannot be derived from the axioms of the system. An interpretation of Gödel's "incompleteness" theorem underpins the controversial claims of Shadous.

Penrose wrote these two "popular" science books partly

of 10, when he regarded maths to convey his own sense of excitement, he says. To call them popular is misleading, however. Most of his supporting evidence is indecipherable to non-mathematicians. Even if the hypothesis is clear, the books are tougher to read than the best-selling Brief History of Time by Stephen Hawking, Penrose's opposite number at Cambridge and former collabo-

rator on Black Holes. The books were to have been a retirement project. Then Penrose saw a re-run of a TV programme in which Marvin Minsky and another American pioneer of the "hard" school of artificial intelligence made

"some very extreme remarks". He added: "From their very particular point of view what they said was logical. But I just don't believe it. As an undergraduate I had tried to build up logical systems which would reduce thinking to computation. Even then, in the middle of doing it, I had a suspicion that something was wrong and this wouldn't work."

Most people, I said, had never heard of Gödel but would say it was obvious that consciousness wasn't just computation. Why did you need to demonstrate it?

"It's very curious. You find people on both sides who regard the other point of view as ridiculous. People say Why bother to write the book? But what's not so obvious is that I am saving something stronger. that is, that you can't even simulate this activity.

"There is a view that a machine can act as though it sees red, feels pain, etc. My line is different. I'm saying it can't even act as though it has these qualities. There is something in our understanding which you couldn't even imitate ... and, stronger still, you couldn't do it with presently

known physics. "The argument from obviousness is a good argument. but it doesn't get you anywhere. It doesn't tell you what to do." Briefly, what Penrose tells us to do is look at the "microtubules" in the neurons. or brain cells, for signs of quantum brain activity which could, with the missing phystranslate into noncomputable consciousnes Are you envious of the com-

People often ask me that one," Penrose replied. "There is certainly an element of pride, I suppose, and not want-ing to be outdone by a mere machine and that sort of thing-If computers get very good at chess I don't like the idea. But I'm pretty sure it's more than that. I don't think it's correct,

Do mathematicians like you feel left out of the argument? "Certainly I feel there's an awful lot of very hard work, clever work, very important work which is almost totally ignored and dismissed, simply because it's not something that people understand and may not have any immediate value. Mathematicians tend to be

shout about things." So you think computer science is hijacking maths? "I think to some extent it has hijacked it. There's some interesting stuff, of course, and I

modest. They work away in

their corners and don't go and

don't want to denigrate it. But I don't think it should take over in the public's mind." The pure mathematician is, of course, a species of philosopher. Whether Penrose's mathematical brilliance carries over to his philosophical reasoning

is what his critics question. But in subscribing to a Platonic world of ideas, he is certainly not alone, even among mathematicians. The concepts. he says, are "out there" in the sense of being independent of our perception of them. Does he mean that they exist like Plato's forms?

"Yes, very much so. But I get into a lot of trouble on that one. People will often go along with other things I say. But even the most sympathetic I find sometimes baulk at taking mathematical forms as really

"The trouble is, if you don't take them as existing in some sense then the other mysteries become even more mysterious. The physical world behaves to such an extraordinary degree in accordance with highly sonhisticated mathematics. It makes that mystery even more puzzling if the mathematics somehow isn't there, if it's our creation

"Einstein's theory of general relativity is a wonderful example why that can't be the case. Newton's theory of gravity had

been around for years and Einstein didn't need to produce a new theory for which there was anyway not much evi-

dence at the time. "But now it's become the most accurate theory known to science. And it was there all the time! It's not that somehow we've imposed our thinking on the way that space is constructed. It's out there."

Then why don't you just say that souls exist, too, and do our thinking? "Well, I suppose one can say things like that. Certainly if one uses 'soul' to describe a person's consciousness I have no objection to that. It's just a word I tend not to like to use

because it has unfortunate con-

notations. I suppose I don't find it very helpful." Are you really a Pythago-



I asked Penrose whether the want to get back to," he said. controversy excited by his "although the question of the want to think about more seriously. In a certain sense I regard all these other things as distractions from my work. But they're interesting distrac-

cifically, something called twis-tor theory which he has been called Pythagorean rather. than Platonic as someone who believes in mathematics underworked on for 30 years. "I have other things I really tions." lying everything." February 218 January 23|27 MOOFMICH February 3|9|11|17 Leos Janaček

"Sometimes people call me

that. Labels are things which

people put on me. Pythagorean

mystic? I hate to use the word

mystic. But I certainly have

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books was drawing him away

from his chief activity, which

is mathematical physics - spe-

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As They Say in Europe/James Morgan

### Mafia sets example on crime

press one would hardly have known that the UN Conference on crime was taking place in Naples for most of last week. Only the speech by Italy's prime minister, Silvio Berlusconi, which came just as it was announced that he was being investigated for corruption, aroused a vicari-

ous flicker of interest. In Brussels the conference was front page news. La Libre Belgique shouted: "Organised crime finds who it is talking to." That was followed by a story about the Belgian justice minister, Melchior Wachelet, who made what the paper saw as a hard-hitting speech on the "complementa ity of global and regional approaches" to crime busting.

The story alongside gave the game away: "Drugs and Holland pinpointed in CTIF report." The CTIF is a Belgian government unit for cracking down on money laundering. The report said BFr21bn had been identified as part of such operations. But only three per cent of that sum had been

The other big Brussels

daily. Le Soir, was equally excited: "Belgium arms itself against organised crime." Again it gave pride of place to the concept of a regional It would, unfortunately, be

misleading to say that all Bel-

gium is girding its loins in

the everlasting struggle against delinquency and the Dutch. In Flanders, priorities were different. Het Gazet van Antwerpen led on "The warmest November of all time". As always with this paper, its stories are hard to check, like another front page item, lifted from London's The Times. This concerned an impending invasion of plastic ducks threatening England because a container ship had

shed its cargo in the North Pacific two years ago. Het Gazet lives in some curious make-believe world, halfway between Tolkien and Breughel, but without the crime. That may account for the curious news-from-nowhere quality of whatever emerges from Flanders.

in Naples, Pierre Méhaignerie. the French justice minister, added his voice to the call for "the greatest international co-operation" in fighting

> He also focused on what he called "fiscal paradises", arguing that offshore banking centres should be tackled with as much vigour as the international community had international terrorism. The French do not like

unregulated business activity and the threat should be taken seriously. After all, in 1985, New Zealand got the rough end of the French stick when government assassins arrived from Paris to blow up the Rainbow Warrior. Then it was Iraq that was clobbered and now, apparently, it will be Guernsey. In highlighting crime blackspots of the world, the Italian paper La Stampa

also singled out the Channel Islands, rather than Naples. Everybody finds someone else to blame for crime. The Belgians have to protect themselves against the Dutch.

The Russians pointed out that their supposed crime wave was merely the creation of a "cold war style" propaganda campaign designed to hold up their country's development. The choice of Naples as the site of a conference on crime

was intriguing. The Frankfurter Allgemeinc Zeitung dealt with the puzzle - at considerable length, inevitably. It stressed the "high expectations of the population".

The Neapolitans had greatly enjoyed the G7 Summit there in July, for during that period there had been no litter on the streets until eight in the evening. It has become a kind of golden age in the Neapolitan popular imagination.

There are many reasons to believe that a city like Naples was the right choice for any such conference. So long as the camorra is squared beforerity far more reliably than the police. After all, a car can be parked in perfect safety with the key in the ignition by a guest at a mafia wedding.

And anybody who attended

the G7 Summit in Naples

knows how the highest moral standards were assured. A en of outstanding physical attributes were in attendance. But even the rougher end of the journalistic corps kept its distance once officials announced that these were the daughters of the leading local godfathers.

But unfortunately the crime wave was spreading to the most unlikely places even as the crime fighters met. As eone who has lived at different times in Vienna, I had thought that traffic rules there were inviolable: one was physically restrained from crossing an empty street by ther pedestrians when the lights were green.

But research, according to Der Standard, has now shown that drivers jump one red light in 10. That means two million cars cross on yellow every day. Almost like a Mediterra-

■ James Moroan is economics correspondent of the BBC World Service.

nean city, said the paper.